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UNITED STATES TARIFF COMMISSION
Washington, D. C.

TRADE AGREEMENT DIGESTS

Volume XI

WOOL AND MANUFACTURES

Prepared by the Tariff Commission for use in connection
with trade agreement negotiations

November 1946

List of Volumes in this Series

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WOOL MANUFACTURES

Introduction

This volume contains about 40 digests of information on commodities dutiable under schedule 11 of the Tariff Act of 1930, which have been listed (up to November 9, 1946) by the Trade Agreements Committee for consideration in the proposed trade agreement negotiations with foreign countries of the so-called "Nuclear" group. Similar volumes have been or are being prepared by the Tariff Commission on commodities dutiable under other schedules of the tariff act which have been listed as possible subjects for these negotiations. Those products on the Free List of the tariff act which are subject to import-excise or processing taxes are treated as dutiable commodities and are covered by digests which appear in the volumes for the tariff schedules to which such products are most nearly related. There are, however, no free list items closely related to those covered by schedule 11, which are subject to import-excise or processing taxes. In addition to this and similar volumes, a special volume will be issued covering all commodities on the Free List.

The articles provided for in schedule 11 fall into two large groups: (1) Unmanufactured materials, and (2) semimanufactures and finished manufactures. The unmanufactured materials include the natural fibers (wool, mohair, and several related kinds of hair), noils and other wool wastes, and rags. Of the imports of raw wool substantial proportions (in most recent prewar years over half the total in terms of value and higher proportions in terms of quantity) have consisted of certain varieties of unimproved and coarse grades which are entered free of duty in bond for the manufacture of floor coverings and of certain other less important products specified in the tariff act. Imported wools used in the manufacture of all important types of apparel, hereinafter referred to as "apparel" wools, are dutiable. Semi-manufactures include tops and yarn, and finished manufactures include a wide variety of woven and knitted fabrics, blankets, carpets and rugs, felts, wearing apparel, and miscellaneous articles, in chief value of wool or related hair.

Average annual imports, free and dutiable, entered under schedule 11 of the Tariff Act of 1930, in the 5-year period 1935-39 and in the calendar year 1939 are shown in the following table.

Schedule 11.-Wool and wool manufactures: Average annual value of imports, 1935-39, and equivalent ad valorem rates of duty, 1939

Commodity	:Average :		1939	
	:annual :			:Ad valorem
	: value :	Value	Duty	:Equivalent
	:1935-39 :			:of duties
	:	<u>1,000</u>	<u>1,000</u>	<u>Percent</u>
	:	<u>dollars</u>	<u>dollars</u>	:
Carpet wool (free under bond) ----	: 25,469:	25,692	: -	: -
Dutiable wool, wool wastes and	:	:	:	:
by products -----	: 29,876:	29,950	: 21,468	: 71.7
Manufactures of wool (pars. 1106-	:	:	:	:
1122) -----	: 19,579:	19,294	: 12,157	: 63.0
Total dutiable commodities----	: 49,455:	49,244	: 33,625	: 68.3

Carpet wool is not produced in the United States. In 1939 imports of such wool were valued at 26 million dollars and that was about the annual average for the 5-year period 1935-39. Carpet wools come principally from Argentina and British India. In 1939 the value of United States production of raw wool (including mohair), wool wastes, and fiber recovered from wool rags totaled 186 million dollars (a total which, of course, includes some, but not much, duplication). Since, as above indicated, there is no domestic production of carpet type wools, the domestic production just referred to is comparable only with the dutiable imports of raw wool and related hair, wool wastes, and wool rags; such imports in 1939 had a duty-paid value of about 51 million dollars. These imports were equivalent on the basis of value to about 27 percent of the domestic production of comparable materials as given above, or a little more than one-fifth of apparent domestic consumption. In 1944, as a result of higher prices, the domestic output of the materials referred to was probably close to 350 million dollars.

Dutiable imports of unmanufactured wool (and related hair) materials in 1939 amounted to 30 million dollars (foreign value). This figure is less than that for 1937, the peak year of imports in the 1930's, but is representative of average annual imports in the 5 prewar years 1935-39. The advalorem equivalent (based on foreign value) of the duties on these materials, all of which are specific, amounted to 71.7 percent in 1939 compared with an annual average of 68.5 percent for the years 1935-39. Imports include apparel wool, principally from Australia, New Zealand, and South Africa, and wool wastes and wool rags principally from the United Kingdom.

United States exports of the above materials are relatively small and consist largely of low-grade rags to the United Kingdom. Total exports were valued at \$435,000 in 1937 and \$1,042,000 in 1939.

United States production of manufactures of wool (and related hair) amounted to 2.2 billion dollars in 1939, but the total involves extensive duplication of articles in different stages of manufacture. Without duplication it is estimated that the value of the domestic production of this group would have been about 1.1 billion dollars in 1939 and probably more than 1.6 billion dollars a year during the war.

Total imports of manufactures of wool (pars. 1106-1122) amounted to 19.3 million dollars (foreign value) in 1939. This figure is less than for 1937, the peak year of the 1930's for imports, but is substantially the value of average annual imports during the 5 prewar years 1935-39. The ratio of the duties (including the specific part of compound duties intended as compensatory for the duties on raw wool) collected on all manufactures of wool to the foreign value of such imports was 72 percent in 1937 and 63 percent in 1939. The decline in the ratio was partly attributable to reductions in duty in trade agreements, principally the trade agreement with the United Kingdom, effective January 1939, but the ratio was also affected by changes in the relative importance of different classes of imports and changes in prices of some items subject to specific or compound rates of duty. In the aggregate, the duty-paid value of imports of manufactures of wool in 1939 was 31.4 million dollars, equal to about 2.9 percent of the adjusted figure (1.1 billion dollars) for the domestic production.

United States exports of manufactures of wool have never been large compared with United States production or imports. Total exports were valued at 2.0 million dollars in 1937 and 2.8 million in 1939. Weaving apparel and wool cloth were the principal items in the export trade.

The items which are listed for consideration in the proposed negotiations, and covered by the digests contained herein, represented 96 percent of the total value of imports entered under schedule 11 in 1939. With

respect to dutiable imports only, items listed for consideration represented about 95 percent of the dutiable imports under schedule 11. Of the total imports, free and dutiable, of items listed for consideration, 88 percent in 1937 and 86 percent in 1939 are accounted for by three commodities, namely, raw wool, wool wastes and by-products, and wool cloth. ^{1/}

Explanatory Notes

The digests presented herein have been kept as brief as possible and contain only the data most pertinent to an understanding of the international competitive situation with respect to the various products. It was obviously impractical to include all the facts pertaining to the many commodities listed for consideration. Supplementing the data given in the digests, and available for use in the negotiations, is the extensive information contained in the files of the Commission and in its numerous published reports, as well as the knowledge and experience of its staff.

In several instances, where a number of closely related products are listed for consideration, a Summary Digest is given in addition to separate digests on each of the listed items. The Summary Digest gives statistics of production, exports, and imports for the group of related products as a whole, describes the interrelationships among the several products, and discusses general competitive problems. In a few cases the Summary Digest covers items which are not listed for consideration in the proposed negotiations and not covered by separate digests; such unlisted items have been included in order to give a more complete picture of the production and trade in all the related products of an industry. Occasionally the statistics of production given in such a Summary Digest relate to the product in both unfabricated and fabricated forms, resulting in some duplication. Where duplication is significant, attention is called to the fact.

Most of the digests give statistics of United States production, exports, and imports (total and by principal sources) for the three prewar years, 1937, 1938, and 1939 and for one war year, 1943. In the case of some commodities the statistics cover a much longer period. Where statistics of production or of exports of a particular commodity are not available, estimated figures, or some other indication of the relative importance of production and exports as compared with imports, are given when possible. Frequently a digest covers more than one statistical import class. In such cases, if the imports are significant, a supplementary table is given, showing for 1939, or some other representative prewar year, statistics of United States imports by individual statistical classes, by principal country of origin. Where exports under lend-lease are substantial, as well as where imports free for Government use, or free as an act of international courtesy, or free under special provisions of the Tariff Act of 1930 are substantial, they are indicated in footnotes to the tables.

Import values are in practically all cases foreign values, i.e., they do not include duties, transportation costs, and certain other charges incidental to the shipment of products from the foreign country to the United States. These values, therefore, are not strictly comparable with the values shown for United States production (which are usually the sales value of the product at the plant) or for exports (which represent the actual selling price including inland freight and other charges to the port of exportation).

^{1/} Items which in 1939 accounted for 58 percent of the total value of imports under schedule 11 are subject to reduced rates of duty provided in trade agreements in effect on April 1, 1945.

The countries which are the principal sources of imports are generally listed in the table in the order of the magnitude (by value) of imports from them in 1939; and names of the proposed negotiating countries are given in capital letters.

The digests show for each item the rate of duty provided in the Tariff Act of 1930 and the 1945 (January 1) rate. Changes in the duty since the act of 1930 became effective are shown in detail in footnotes. When it is significant, the ad valorem equivalent (or the specific equivalent) of each rate of duty is given in a general note following the section on tariff rates.

In the case of many of the schedules, rates of duty on certain commodities were reduced by the trade agreements with the United Kingdom and Canada, effective January 1, 1939. The economic conditions in these countries and throughout the world were so disturbed in 1939, as the result of preparations for and actual outbreak of war, that the statistics of United States imports for that year cannot be taken as indicating what would have been the effects of these duty reductions under peacetime conditions; the import data for the war years are still less indicative of what would have been those effects.

1
APPAREL WOOL, WOOL WASTES AND RAGS, AND MANUFACTURES
OF THESE MATERIALS (SUMMARY DIGEST)
(See separate digests on individual items)

Schedule 11
CHINA, AUSTRALIA
BELGIUM, FRANCE
NEW ZEALAND,
SOUTH AFRICA,
UNITED KINGDOM

Table 1.— Apparel wool, wool wastes and rags, and manufactures of these materials: United States production, domestic exports, and imports for consumption, 1935-39 and 1943

(In thousands)							
Year	Production		Domestic exports		Imports ^{1/}		
	Quantity	Value	Quantity	Value	Quantity	Value	
	pounds		pounds		pounds		
	Raw wool, wool wastes, and wool rags ^{2/}						
1935	421,969	3/	2,986	\$205	39,035	\$11,955	
1936	3/	3/	3,963	270	98,904	37,613	
1937	371,497	3/	5,696	495	112,093	58,094	
1938	3/	3/	10,094	1,110	26,125	11,769	
1939	364,111	3/	10,182	1,043	80,418	29,950	
1943	478,517	3/	30,915	10,717	400,079	200,212	
	Wool top and yarn ^{4/}						
1935	102,657	\$105,697	16	18	527	553	
1936	3/	3/	29	39	888	796	
1937	84,411	106,482	16	24	569	536	
1938	3/	3/	11	18	416	399	
1939	83,592	91,521	70	72	686	543	
1943	3/	3/	5,512	7,069	1,019	1,254	
	Woolen and worsted piece goods						
1935	304,442	401,165	289	339	3,129	4,854	
1936	3/	3/	232	377	4,482	7,070	
1937	314,228	460,628	216	374	5,604	9,059	
1938	3/	3/	253	398	3,400	5,191	
1939	308,947	408,541	310	440	6,626	8,801	
1943	442,804	3/	30,721	53,517	2,497	5,585	
	Other manufactures of apparel wool						
1935	3/	^{5/} 1,037,000	3/	1,062	4,139	6,050	
1936	3/	3/	3/	1,262	5,640	7,977	
1937	3/	^{5/} 1,166,800	3/	1,456	5,489	8,741	
1938	3/	3/	3/	1,327	4,084	5,700	
1939	3/	1,087,970	3/	2,175	3,000	4,681	
1943	3/	3/	3/	12,775	1,554	3,317	
	Total						
1935	Not given because of duplication in quantities and values		3/	1,624	46,830	23,412	
1936			3/	1,948	109,914	53,456	
1937			3/	2,349	123,755	76,430	
1938			3/	2,853	34,025	23,059	
1939			3/	3,730	90,730	43,975	
1943			3/	84,078	405,149	210,568	

^{1/} The relatively small imports under paragraphs 1120 and 1122 are not included in the figures shown. The figures for value of imports are on the basis of foreign value.

^{2/} Data for domestic production include reported production of raw wool and other animal hair and reported consumption of waste and rags. The quantities for raw wool included in domestic production, imports, and exports are in terms of clean wool content. The quantities shown in the table, therefore, would not accord with totals derived from the following detailed digests which are on the basis of actual weight.

^{3/} Not available. ^{4/} Production data include top and yarn made for sale only. See separate digests for total production. ^{5/} The figures shown for the value of domestic production of "other manufactures of apparel wool" are intended to cover not only the domestic production of wool manufactures other than fabrics, such as knit goods, felts, and so forth, but also the domestic production of wool apparel and other finished consumption goods made from woolen and worsted fabrics. For some of the classes covered by this group values of domestic production are reported in the Census of Manufactures; for others the values had to be estimated.

Source: Official statistics of the U. S. Department of Commerce.

Par.	Item	United States tariff			Ad valorem equivalent of the duty 1939	Proposed negotiating country
		Act of 1922	Act of 1930	1945 rate ^{1/}		
1101	Donskoi, Smyrna, Cordova, and other unimproved wools not finer than 40s, and camel hair. (Dutiable if not used in the manufacture of floor coverings, knit or felt boots or lumbermen's socks. ^{2/})	11 to 24 cents per lb.	22 to 27 cents per lb. of clean content ^{3/}	11 to 27 cents per lb. of clean content	<u>Percent</u> 87	New Zealand China
1102(a)	Wools, finer than 40s but not finer than 44s.	30 or 31 cents per lb. of clean content ^{4/}	27 to 32 cents per lb. of clean content ^{3/}	15 to 20 cents per lb. of clean content	90	New Zealand
1102(b)	All other wools, (wools finer than 44s), hair of the Angora goat, Cashmere goat, alpaca, and like animals. ^{2/}	30 or 31 cents per lb. of clean content ^{4/}	32 to 37 cents per lb. of clean content ^{3/}	16 to 37 cents per lb. of clean content	77	Australia Un. of So. Afr. France
1105	Wools wastes and rags	7½ to 31 cents per lb.	8 to 37 cents per lb.	5 to 34 cents per lb.	39	United Kingdom Belgium
1106	Carbonized wool	31 cents per lb.	37 cents per lb. plus 20% ad val.	37 cents per lb. plus 12½% ad val.	97	United Kingdom Australia
1106	Wool top, and other wool advanced, but not further advanced than roving.	33 cents per lb. plus 20% ad val.	37 cents per lb. plus 20% ad val.	37 cents per lb. plus 12½% ad val.	62	United Kingdom France
1107	Wool yarn	24 or 36 cents per lb. plus 30 to 40% ad val.	40 cents per lb. plus 35 to 50% ad val.	30 to 40 cents per lb. plus 25 or 30% ad val.	74	United Kingdom France
1108 and 1109(a)	Woolens and worsteds	24 to 45 cents per lb. plus 40 to 50% ad val.	40 or 50 cents per lb. plus 50 to 60% ad val.	40 or 50 cents per lb. plus 35 to 45% ad val.	75	United Kingdom Belgium
1109(b)	Woven felts for machine clothing.	Not separately provided for	Dutiable at rates in (1109(a)) (see above)	50 cents per lb. plus 25 to 30% ad val.	72	United Kingdom
1110	Pile fabrics and manufactures thereof.	40 cents per lb. plus 50% ad val.	44 cents per lb. plus 50 or 55% ad val.	44 cents per lb. plus 40% ad val.	81	United Kingdom
1111	Blankets	18 to 37 cents per lb. plus 30 to 40% ad val.	30 to 40 cents per lb. plus 36 to 40% ad val.	30 to 40 cents per lb. plus 36% ad val. ^{5/}	84	United Kingdom
1112	Wool felts, not woven.	18 to 37 cents per lb. plus 30 to 40% ad val.	30 or 40 cents per lb. plus 35 or 40% ad val.	30 or 40 cents per lb. plus 30 or 35% ad val.	54	United Kingdom
1113	Wool small wares	45 cents per lb. ^{7/} plus 50% ad val.	50 cents per lb. plus 50% ad val.	50 cents per lb. plus 40% ad val.	63	United Kingdom
1114 (a)	Knit fabric, in the piece.	30 or 45 cents per lb. plus 40 or 50% ad val.	33 or 50 cents per lb. plus 40 or 50% ad val.	33 or 50 cents per lb. plus 40% ad val.	61	France
1114(b)	Wool hosiery	36 or 45 cents per lb. plus 35 or 50% ad val.	40 or 50 cents per lb. plus 35 or 50% ad val.	40 or 50 cents per lb. plus 25 or 35% ad val.	56	United Kingdom

Par.	Item	United States tariff			Ad valorem equivalent of the duty 1939	Proposed negotiating country
		Act of 1922	Act of 1930	1945 rate ^{1/}		
					<u>Percent</u>	
1114(b)	Wool gloves and mittens.	36 or 45 cents per lb. plus 35 or 50% ad val.	40 or 50 cents per lb. plus 35 or 50% ad val.	40 or 50 cents per lb. plus 35 or 50% ad val. ^{8/}	71	United Kingdom China
1114(c)	Knit underwear	36 or 45 cents per lb. plus 30 or 50% ad val.	40 or 50 cents per lb. plus 30 or 50% ad val.	40 or 50 cents per lb. plus 30% ad val.	46	United Kingdom
1114(d)	Knit outerwear and headwear.	36 to 45 cents per lb. plus 40 to 50% ad val.	44 or 50 cents per lb. plus 45 or 50% ad val.	44 or 50 cents per lb. plus 25 to 75% ad val.	46	United Kingdom France
1115(a)	Apparel, not knit	24 to 45 cents per lb. plus 40 to 50% ad val.	33 or 50 cents per lb. plus 45 or 50% ad val.	33 or 50 cents per lb. plus 30% ad val.	43	United Kingdom
1115(b)	Wool-felt hat bodies	Same rate as apparel, not knit or crocheted	40 cents per lb. plus 75% ad val.	40 cents per lb. plus 55% ad val.	105	Not proposed for negotiations
1115(b)	Wool-felt hats	Same rate as apparel, not knit or crocheted	40 cents per lb. plus 75% ad val. plus 25 cents each	40 cents per lb. plus 40 or 55% ad val. plus 8 or 12½ cents each	91	France
1119	Tapestries and upholstery goods.	Not separately provided for	Dutiable at rate in 1108 or 1109(a) (see above)	Dutiable at rates in 1108 or 1109(a) (see above)	59	United Kingdom
1120	Manufactures, n.s.p.f.	50% ad val.	50% ad val.	25 or 50% ad val.	42	United Kingdom

^{1/} See separate digests for basis of the changes from the 1930 rate.

^{2/} Free entry under the act of 1922 was limited to those wools used in floor coverings only.

^{3/} Under the Tariff Act of 1930 the different rates of duty on wool within each of the classes identified were for wools in different states of preparation. For example, the lowest rate on wools finer than 44s was 32 cents per pound of clean content and this rate applied to wool on the skin while the highest rate was 37 cents per pound of clean content applicable to scoured wool. As a result of action under the trade agreement program the rates on some classes of wools or hair have been reduced but the spread in rates within a class has been maintained.

^{4/} Scoured wool was dutiable on basis of actual weight.

^{5/} Alpaca, llama, vicuna, and Cashmere goat hair are not proposed for consideration in the present negotiations.

^{6/} The rate on hand-woven blankets was reduced to 20 cents per pound plus 20 percent ad valorem in the trade agreement with Mexico, effective January 1943.

^{7/} The specific rate of 45 cents per pound applied only to the wool content.

^{8/} The 35 percent ad valorem rate, applicable only to gloves valued at not more than \$1.75 per dozen pairs, is calculated on American selling price.

APPAREL WOOL? WOOL WASTES AND RAGS? AND MANUFACTURES
OF THESE MATERIALS (SUMMARY DIGEST) Continued

IntroductionComment

In an analysis of United States production of, and foreign trade in wool and wool manufactures, wool may be considered to include not only that obtained from sheep, which is of course by far the most important category, but also hair from the Angora goat, Cashmere goat, alpaca, camel, Angora rabbit, and other like animals. The numerous types and grades of wool may be regarded as falling into two main groups--dutiable (apparel) wools, and duty-free (carpet) wools. The wools used in the commercial production of carpets and rugs consist entirely of coarse crossbred wools or "unimproved" wools (wool from the native sheep of certain areas which have not been cross-bred with Merino or mutton breeds). Unimproved wools, camel hair, and other wools not finer than 40s 1/ are free of duty if imported under bond for use in the manufacture of floor coverings and a few other less important products. This summary statement is introductory to the digests following which deal separately with various categories of dutiable wools, wool wastes and rags, and manufactures of these materials. Excluded from consideration herein are wool floor coverings and wools imported free of duty for the manufacture of floor coverings or of other products specified in the tariff act (see first items in the tariff classifications shown above).

There is no commercial production in the United States of unimproved or coarse wools 2/ of the sorts which are imported free of duty for the manufacture of carpets and this country is dependent on imports to supply practically the entire domestic demand for such wools. The situation is quite different with respect to apparel wool. In the years preceding the outbreak of the second World War this country produced over one-tenth of the world's output of apparel-type wool. The country's consumption of apparel wool, however, has in most years considerably exceeded domestic production and such wool therefore has been one of the few major agricultural commodities of which both domestic production and imports during most years have supplied substantial portions of the country's requirements 3/.

United States production of wool and wool manufactures and the country's foreign trade in these commodities were greatly affected after 1940 by war developments here and abroad, and particularly by the large production here of wool fabrics for military use, by measures taken by the Government to encourage the domestic production of wool, and by the Lend-Lease program, under which substantial quantities of wool fabrics and other wool products

1/ As provided in paragraph 1101(c)(5) of the Tariff Act of 1930 "the official Standards of the United States for grades of wool as established by the Secretary of Agriculture.....shall be the standards for determining the grade of wools" here dutiable. These standards are based on the fineness of the wool, that is, the thickness of the fiber. The numbering system used to identify a particular grade (standard) thus signifies the fineness of the wool. These numbers run in order, that is, the lower numbers (40s, 44s, etc.) apply to coarser wools and higher numbers (64s, 80s, etc.) apply to the fine wools.

2/ Owing to the duties on them, prices of domestic wools not finer than 40s are too high to permit their use in carpets, rugs, etc. made from like wools entered duty-free under bond. Such domestic wools are used for apparel purposes.

3/ Considering narrower categories of dutiable wool and hair it may be noted that there is no domestic production of some of the less important varieties such as camel, vicuna, alpaca, llama, and Cashmere goat hairs. The country has, however, supplied a considerable part of the domestic consumption of Angora rabbit hair and most of that of Mohair (hair of the Angora goat).

5
APPAREL WOOL, WOOL WASTES AND RAGS, AND MANUFACTURES
OF THESE MATERIALS (SUMMARY DIGEST) Continued

were exported, mainly to Russia. Some of the important aspects of the aftermath of these war developments are discussed later in these digests, but the discussion immediately following is based principally on the statistics of pre-war years which are more relevant than those of the war period in an analysis of the position that dutiable wool and manufactures thereof have normally occupied in the domestic economy and foreign trade of the United States.

Relation of production, imports and exports

Even in peacetime the total imports of apparel wool and manufactures thereof varied widely from year to year; this was largely accounted for by variations in the annual imports of raw wool. On account of such variations and of those in the raw wool inventories of dealers and of manufactures of wool products, the imports of any individual year do not provide an accurate measure of the extent of the foreign contributions to United States wool requirements in that year. Considering total imports of apparel wool and manufactures in all forms, it is roughly estimated that in the decade 1931-40 about one-fifth of the wool represented by United States consumption of manufactures of apparel wool was of foreign origin (most of this being imported as raw wool). About another fifth of the total consisted of shoddy derived from wool rags collected in this country, and about three-fifths of virgin wool of domestic growth. The available statistics further indicate that the proportion of the country's total requirements supplied from foreign sources was considerably greater in the second than in the first half of the decade. This change probably reflects improved business conditions during the latter years of the decade rather than a long-term trend, which with increased consumption of wool and its manufactures resulted in higher prices and a consequent lower ad valorem equivalent of the specific duties on dutiable wools.

As is to be expected in the light of excess of United States requirements of wool over the country's production, total exports of apparel wool in all forms have been small relative to imports. In pre-war years, moreover, the bulk of the exports in terms of quantity consisted of rags, which in the foregoing table appear in the raw material group. There has usually been very little demand in this country for very low-grade wool rags, and the bulk of the exports have normally consisted of rags of that grade. In terms of value, a considerable proportion of the exports of wool and manufactures has been accounted for by finished apparel. The value of the total exports of wool and manufactures has normally been substantially less than one-tenth of that of the total imports.

Raw wool - Domestic production

The farm value of annual domestic production of shorn wool in the period 1936-39 is estimated by the Department of Agriculture to have ranged from 69 million dollars (1938) to 114 million dollars (1937) and averaged about 86 million dollars. ^{1/} These figures are exclusive of the value of wool on sheep and lambs sold by the sheep raisers; wool "pulled" from the skins of slaughtered sheep and lambs has usually accounted for about 20 percent of the domestic wool production. The values of domestic production of only about a dozen agricultural products have exceeded that of wool.

^{1/} Delivered to the centers of distribution and scoured ready for use by the manufacturing industry the value of this wool usually would run in the neighborhood of 50 percent above the farm values.

APPAREL WOOL, WOOL WASTES AND RAGS. AND MANUFACTURES
OF THESE MATERIALS (SUMMARY DIGEST) Continued

According to the estimates of the Department of Agriculture above referred to, somewhat less than half as much farm income (1936-1939) was derived from the sale of wool as from the sale of sheep and lambs. Those estimates, however, taken by themselves would understate the importance of wool as compared with meat to the domestic sheep raising industry. This is in part because of the fact already noted that the estimated farm values of wool produced do not include the production of wool sold on the animals. Such wool, on the contrary, is a factor in the value of sheep and lambs sold. Moreover, the reported farm income derived from sales of sheep and lambs involves duplication. Farmers in some areas buy sheep and lambs from the principal breeding territories for fattening, and the figures for farm value of sheep and lambs sold include the amounts received both by the original producers and by feeders who fattened thin lambs purchased from such producers. When these factors are taken into account, it may be roughly estimated that on the average in pre-war years about 50 percent of the farm income derived from sheep raising was attributable to wool.

Texas has in recent years been the largest wool producing state, with Wyoming, California, Montana, and Utah following in that order. Idaho, Oregon, New Mexico, and Colorado are also important producing states. In the states named, and in Arizona, Nevada, Washington and the western part of South Dakota, sheep raising is carried on mainly by ranchers for whom it is the only or at least the principal activity. In other sections of the United States sheep raising is frequently a factor in diversified farming operations. Texas, the Rocky Mountain and Pacific Coast States, and western South Dakota together have long produced nearly three-fourths of the total United States output sold by producers as wool, and if allowance were made for the wool pulled from skins originating in those states they probably would account for somewhat more than three-fourths of the total production.

The imports of raw apparel wool in the period 1931-40 were equivalent to about one-fourth of domestic production and accounted for about one-fifth of the total of such wool used by United States manufacturers. In the first half of the decade (for reasons already mentioned) the imports were much smaller relative to domestic production and in the second half, considerably larger, than for the decade as a whole.

Wool manufacturers

With respect to the processing of apparel wools it may be noted that the bulk of the United States production of wool yarns is converted into fabrics in the plants where produced. The United States woollen and worsted industry, comprising both the spinning and weaving operations, has ranked about twelfth in importance among United States industries. In 1939 the woollen and worsted industry ranked seventh in number of employees and fourteenth in value of products. A large part of the industry is located in the New England and Middle Atlantic States, with a few mills in the South, Middle West, and Far West. The small imports of semimanufactured wool (wool top ¹/₂ and yarn) compete most directly with the relatively small portion of the domestic production of wool top and yarn which is sold in those forms by the producers. The domestic production of woollen and worsted fabrics, which is, of course, in part derived from imported raw and semi-manufactured materials, was valued at about 409 million dollars in 1939 and 461 million dollars in 1937. The domestic industry has supplied the bulk of domestic consumption of woollen and worsted fabrics; imports, however, in the pre-war decade ranged from about 1 to 2 percent of total consumption.

¹/₂ Combed wool sliver, an intermediate product between raw wool and worsted yarn.

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APPAREL WOOL, WOOL WASTES AND RAGS, AND MANUFACTURES
OF THESE MATERIALS (SUMMARY DIGEST) Continued

The production of advanced wool manufactures, such as apparel made from woolen and worsted fabrics, knit goods, wool felt, blankets, and so forth, is accounted for by a considerable variety of industries widely distributed throughout the United States, with concentrations mainly in the larger eastern and central cities. The total value of United States production can be only roughly approximated from available statistics. In pre-war years it is estimated to have ranged over 1 billion dollars annually. The imports of such goods have been equal to about one-half of 1 percent of domestic production on the basis of value.

Imports

In the five years 1935-39 the total value of annual imports of dutiable wool and manufactures ranged from a low of about 23 million dollars in 1938 to a high of about 76 $\frac{1}{2}$ million dollars in 1937 and averaged about 44 million dollars. ^{2/} These commodities accounted for about 2 percent of the total value of all imports and for about 5 percent of the total value of imports of all dutiable commodities. Among imports of dutiable commodities only two groups, sugar, and wines and spirits, exceeded apparel wool and manufactures thereof in importance in the import trade of the United States.

Raw wool has been of special importance in our import trade from Australia, New Zealand, and Uruguay; in the years immediately preceding the outbreak of World War II, it accounted for about two-fifths of our total imports from those countries. Raw wool was also important, though not to the same extent, in our import trade from South Africa and Argentina. Wool semi-manufactures and manufactures have been imported from a number of countries; the United Kingdom has accounted for a predominant part of the total, but for various of the individual classifications several other countries have normally been the principal sources.

The table at the beginning of this statement indicates that, in imports of dutiable wool and manufactures thereof, raw materials (raw wool, wool waste, and wool rags) have accounted for a predominant part of the total. In the years 1935-39 the raw material sub-group accounted for about seven-eighths of the total imports on the basis of quantity and two-thirds of the total on the basis of value. As shown in the following table, raw wool accounted for a predominant part of the imports in the raw material group; imports of mill waste and rags and shoddy, however, have also normally been factors of some importance in the raw material supplies of domestic manufacturers of wool products. On the average for the five years 1935-39 raw wool alone accounted for over 70 percent of the total imports of dutiable wool and manufactures thereof on the basis of quantity, and for about 56 percent of the total on the basis of value.

^{2/} For detailed data for a number of years see table at end of this statement.

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APPAREL WOOL, WOOL WASTES AND RAGS, AND MANUFACTURES
OF THESE MATERIALS (SUMMARY DIGEST) Continued

Table 2.-Raw wool, wool wastes, and wool rags: United States imports
for consumption, 1935-1939 and 1943

Year	Raw wool ^{1/}		Mill wastes		Rags and shoddy		Total	
	Quantity: pounds	Value: dollars	Quantity: pounds	Value: dollars	Quantity: pounds	Value: dollars	Quantity: pounds	Value: dollars
1935 ---	31,878	9,127	5,568	2,254	1,589	574	39,035	11,955
1936 ---	78,973	29,983	13,910	5,645	6,021	1,985	98,904	37,613
1937 ---	97,559	51,332	9,712	4,898	4,822	1,864	112,093	58,094
1938 ---	22,321	10,046	3,009	1,461	795	262	26,125	11,769
1939 ---	62,074	23,945	9,923	3,682	8,421	2,323	80,418	29,950
1943 ---	390,350	195,657	7,188	3,379	2,541	1,176	400,079	200,212

^{1/} All dutiable wools; weight on basis of clean content.

Source: Official statistics of the United States Department of Commerce.

Proportions of virgin apparel wool requirements supplies from foreign
and domestic sources

It has already been pointed out that in estimating the proportions of total United States requirements of apparel wool which have been supplied from foreign and domestic sources account should be taken not only of the imports of raw wool but also of the wool represented by imports of semi-manufactures and manufactures. In the previous references to this subject, however, the total United States requirements for apparel wool were regarded as including the fiber obtained from reprocessed wool rags. Such fiber is inferior and is not wholly interchangeable with virgin wool and its use is confined largely to mixtures with new wool in the manufacture of woollen yarns. The reprocessed fibers serve a purpose somewhat similar to non-wool materials, principally cotton and rayon, which account for considerable portions of the materials in some "wool" fabrics. The following table shows, as accurately as is possible from available statistics, the contributions of domestic production and imports in various forms to the total United States requirements of virgin apparel wool in the period 1931-40. It will be observed that, in the 10-year period as a whole, about three-fourths of the total foreign contribution to the United States requirements of virgin wool were in the form of raw wool.

APPAREL WOOL, WOOL WASTES AND RAGS, AND MANUFACTURES OF THESE MATERIALS (SUMMARY DIGEST) Continued

Table 3.-- Apparel Wool: United States requirements as represented by domestic production and imports in various forms (scoured basis), 1931-40
(1000 pounds)

Year	Domestic production of raw wool	Imports of wool in various forms					Total requirements domestic production	Percent of total supplied by
		Raw wool	Wool wastes	Woolens yarn	Woolens worsted	Other manu- factures		
1931	208,501	25,326	2,858	169	5,956	6,269	38,578	247,079
1932	200,548	9,636	1,959	215	2,825	4,593	19,228	219,776
1933	204,239	26,105	3,743	487	4,150	4,457	38,952	243,191
1934	194,946	21,859	2,098	441	3,798	3,876	31,982	226,928
1935	195,576	31,873	5,563	621	4,694	5,597	48,358	243,934
Average 1931-35	200,762	22,961	3,245	387	3,369	4,958	35,420	236,182
1936	189,899	78,973	13,910	1,030	6,723	7,618	108,254	298,153
1937	198,222	97,559	9,712	658	8,406	7,448	123,783	322,005
1938	199,462	22,321	3,009	493	5,100	5,443	36,366	235,828
1939	202,028	62,074	9,923	811	9,939	4,117	86,864	288,892
1940	205,915	119,971	7,253	728	8,172	2,204	138,328	344,243
Average 1936-40	199,105	76,180	8,761	744	7,668	5,366	98,719	297,824
Average 1931-40	199,924	49,570	6,003	565	5,768	5,162	67,068	267,003
1936								64
1937								62
1938								85
1939								70
1940								60
Average 1936-40								67
Average 1931-40								75

APPAREL WOOL, WOOL WASTES AND RAGS. AND MANUFACTURES
OF THESE MATERIALS (SUMMARY DIGEST) Continued

The structure of duties on apparel wool and manufactures

The duties in the wool schedule consist of specific rates (cents per pound) on raw wool, wool wastes and wool rags and compound rates (cents per pound plus percentages of the value of the goods) on wool semimanufactures and manufactures. The specific portions of the compound rates are intended to offset for the domestic processors the increased cost of their raw materials attributable to the duties thereon (so-called compensatory rates). The ad valorem portions of the compound duties are intended especially for the protection of domestic processing of wool.

The specific portions of the compound duties on semimanufactures and manufactures of wool were fixed on the assumption that the duties on raw wool raise the costs of this material to domestic manufacturers, as compared with the similar costs of foreign manufacturers, by the full amounts of the duties, and on the further assumption (with one minor exception) that the imported fabrics consist entirely of virgin wool.

In a large part of the interwar period, the tariff was not effective in raising the prices of domestic wools above free world prices of foreign wools by the full amounts of the duties. ^{1/} When the duty on raw wool has not been fully effective in the sense above referred to, the specific portions of the compound duties on wool products have been more than compensatory for the effects of the raw wool duties on the relative cost of that material to domestic and foreign manufacturers. At some times in the prewar period, however, the duties on raw wool appear to have been fully effective in raising the costs of domestic raw wool to domestic manufacturers. ^{2/} Moreover, of course, to the extent that domestic manufacturers of wool products used imported wool, their costs of material were at all times raised above the free world prices of raw wool by the full amount of the duty. As already indicated, however, imported wool normally constituted a small portion of the raw materials used in domestic manufactures of wool.

There are, in addition to the factor referred to in the preceding paragraph, other reasons for the failure of the specific portions of the compound duties on wool products to be precisely in accord with the effects of the raw material duties on the costs of the materials to domestic processors. The amount of wool used in the production of equal weights of different yarns and fabrics varies. This is in part because the proportion of waste arising in the processes of manufacture differs for different products and for different establishments. Moreover, some fabrics subject to duty under the woolen schedule contain materials other than virgin wool in varying proportions. It would not be feasible to determine precisely the duties to which the materials used in imported wool goods would have been subject had the materials been imported in unmanufactured condition. The actual specific or compensatory rates of

^{1/} The extent to which the duties on raw wool have failed to be fully effective in the sense above referred to is not to be judged by a simple comparison of the Boston prices quoted for particular descriptions of domestic wools with the London prices of foreign wools of similar descriptions. This is because foreign fleeces are usually "classed" to remove the less desirable parts, and carefully graded; the domestic fleeces are not so "classed" and often are not graded. The price quotations per pound for domestic and foreign wools, therefore, reflect the differences in preparation, with the result that even when the duties were fully effective in the sense above referred to, the prices for domestic wools at Boston failed, to the extent of 5 to 9 cents per scoured pound, to exceed the London prices for foreign wools of similar description (or in-bond prices at Boston) by the full amount of the duty. The fact that there is this range between 5 and 9 cents is attributable in part to the fact that the preparation differential differs for different grades of fleeces, being lower for the coarser and higher for the finer fleeces; in part the range is attributable to the fact that the preparation differential tends to be greater when the prices of wool are higher than when they are lower.

^{2/} Making allowance for the preparation differential referred to in the preceding footnote, and sometimes quite aside from the preparation differential.

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the compound duties on wool manufactures have been designed to be at least fully compensatory for the duties that would be applicable to the raw materials required for the production of any considerable part of the goods falling within a particular classification. It is inevitable with such rates that they should be more than compensatory with respect to some, and possibly most, imports; on the other hand, the specific portions of the compound duties may possibly have been somewhat less than compensatory with respect to small portions of the imported fabrics. ^{1/}

The specific rates in the compound duties on wool products, as originally fixed under the Tariff Act of 1930, ranged from 30 to 50 cents a pound. A few changes in these rates have been made through trade agreement action, of which the most important were reductions in the specific rates on certain fabrics priced below specified values per pound. These fabrics usually contain considerable proportions of material other than virgin wool, and it is probable that the reduced specific rates have been fully compensatory for the duties on the raw materials of which practically all the fabrics concerned are made. Except for the specific rate on hand-woven wool blankets, which was reduced to 20 cents a pound in the trade agreement with Mexico, all the specific rates remain within the 30 to 50 cent range above referred to.

The ad valorem portions of the compound duties on wool products are progressively higher on each stage of manufacture. That is to say, the ad valorem rates are higher on yarn than on top, and higher on fabrics than on yarn. Without such a gradation, the ad valorem rates would be much more restrictive of imports of less advanced than of more advanced goods. This is, of course, because the cost of raw material represents a larger proportion of the total value of less advanced than of more advanced products. A uniform ad valorem rate applied to top, yarn, and fabrics would, therefore, generally represent a higher percentage of the value added by processing in the case of top than of yarn and a higher percentage of the value added by processing in the case of yarn than of fabrics.

Under the Tariff Act of 1930, the ad valorem rates on wool semimanufactures and manufactures ranged from 20 percent for wool top and carbonized wool to 60 percent on certain wool fabrics and 75 percent on wool felt hats and hat bodies. Some of these rates have since been reduced. The ad valorem rate on wool felt hats and hat bodies was reduced to 55 percent under the flexible tariff provision in 1931. Through trade agreement action in 1939 the ad valorem rates on wool top and carbonized wool were reduced to 12½ percent, and through similar action, also mainly in 1939, the ad valorem rates on various classes of woven fabrics were reduced so that the highest ad valorem rate now in effect on wool fabrics is 45 percent (of course, in addition to the specific or compensatory rates above referred to).

The ad valorem rates, as already indicated, apply to the total foreign value of the articles, including raw material cost and expense of manufacture. For a product such as top, the cost of raw material generally represents three-fourths to seven-eighths of the total value and for a medium-grade fabric, two-fifths to three-fifths of the total value. Under some circumstances (attained when prices of raw wool were unusually high), the ad valorem duties have been not far short of equal to the total foreign conversion costs (total costs exclusive of costs of raw materials).

The structure of duties and composition of imports

Changes in the relative rates of duty of raw materials, semimanufactures and manufactures of wool operate to influence the proportion of total imports entering in one form or another. It is impossible to give a quantitative estimate of the extent of such influence. It might be pointed out, however, that imports of several classes of goods on which substantial reductions of duty were made at the beginning of 1939 increased substantially in that year over their previous level. Thus, imports of wool rags and yarn became 75 to 80 percent greater and imports of woollens and worsteds

^{1/} The specific or compensatory duties in the Tariff Act of 1930, like those in the act of 1922, were derived from the duties on raw wool by the use of ratios recommended in a report of the Tariff Board of 1912. (Wool and Manufactures of Wool, Washington, 1912.) The ratios and the premises on which they are based are given in the report (see page 621).

APPAREL WOOL, WOOL WASTES AND RAGS, AND MANUFACTURES OF THESE MATERIALS (SUMMARY DIGEST) Continued

15 to 20 percent greater than in 1937, when the ratio of imports to domestic consumption was above the average of previous years under the Tariff Act of 1930. On the other hand, imports of some wool items on which the duties had been reduced, particularly wool noils and top, were less in 1939 than in 1937. This may have resulted from military preparation under way in Europe, which doubtless operated to prevent imports of all kinds of wool products from being as large as they might have been.

With respect to most finished wool products, including both fabrics and unfinished articles of wool apparel, imports in recent years have been confined largely to goods of special grade and quality designed for sale in this market at prices considerably above the average for similar articles reproduced here.

Composition of imports

The following table shows the values of the imports of the more important groups of wool materials, semimanufactures, and manufactures for a number of recent years.

ALL DUTIABLE RAW WOOLS AND RELATED HAIR
(SUMMARY DIGEST)

Par. No. 1101(a) &
1102(a) and (b)
AUSTRALIA
NEW ZEALAND
UNION OF SO. AFRICA
CHINA, FRANCE

Stat. import classes (1939): 3501.0-3541.0

Table 1 - United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from--				
			All coun- tries ^{1/}	AUSTRALIA	Uruguay	NEW ZEALAND	U. OF SO. AFRICA
Quantity (1,000 pounds, actual weight)							
1937	440,202	68	159,553	69,588	21,729	16,166	5,241
1938	442,527	1,343	34,253	6,602	2,828	5,839	541
1939	447,021	179	102,565	29,400	16,724	11,141	8,426
1943	470,058	27,924	2/632,811	293,417	86,620	21,713	44,354
Quantity (1,000 pounds, clean content) ^{3/}							
1937	193,222	Not	97,555	40,305	13,554	11,024	2,872
1938	199,462	avail- able	22,321	3,934	1,867	4,002	30
1939	202,028		62,074	16,871	10,093	7,287	3,886
1943	216,157		2/387,720	165,093	55,981	15,291	23,128
Value (1,000 dollars)							
1937	Not	29	51,329	24,756	6,750	4,894	1,594
1938	avail- able	423	10,046	2,217	780	1,516	183
1939		99	23,945	7,117	3,787	2,310	2,170
1943		10,425	2/194,252	92,536	28,050	7,089	13,463

^{1/} For imports from CHINA and FRANCE see separate digests on "Hair of the Camel," and "Hair of the Angora Rabbit."

^{2/} Includes 147,822 thousand pounds (actual weight), 104,251 thousand pounds (clean content), valued at 41,776 thousand dollars imported from Argentina.

^{3/} Domestic production on scoured weight basis which should be reduced by approximately 2 percent to be equivalent to clean content.

Source: Production from official statistics of the U. S. Department of Agriculture; exports and imports from official statistics of the U. S. Department of Commerce.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate	
	Cents per pound of "clean content"		
Par. 1101(a)			
Donskoi, Smyrna, Cordoba, etc.;			
similar wools without Merino			
or English blood; and all			
other wools not finer than			
40s:			
In the grease or washed -----	24	1/13	CHINA
On the skin -----	22	1/11	
Sorted or matchings, if not			
scoured -----	25	1/14	
Scoured -----	27	1/16	

ALL DUTIABLE RAW WOOLS AND RELATED HAIR (SUMMARY DIGEST)--Continued

Item	United States tariff		Proposed negotiating country
	Act of	1945	
	1930	rate	
	Cents per pound of clean content		
Par. 1101(a)			
Hair of the camel:			
In the grease or washed -----	24	24	CHINA
On the skin -----	22	22	
Sorted or matchings, if not			
scoured -----	25	25	
Scoured -----	27	27	
Par. 1102(a)			
Wools, finer than 40s but not finer than 44s:			
In the grease or washed -----	29	1/17	NEW ZEALAND
On the skin -----	27	1/15	
Sorted or matchings, if not			
scoured -----	30	1/18	
Scoured -----	32	1/20	
Par. 1102(b)			
All other wools (wools finer than 44s), hair of the Angora goat (mohair) and hair of the Angora rabbit:			
In the grease or washed -----	34	34	UNION OF SOUTH AFRICA, AUSTRALIA, FRANCE
On the skin -----	32	32	
Sorted or matchings, if not			
scoured -----	35	35	
Scoured -----	37	37	
Par. 1102(b)			
Hair of the alpaca, llama, vicuna, and Cashmere goat:			
In the grease or washed -----	34	2/18)Not proposed for)consideration in)the present nego-)tiations.
On the skin -----	32	2/16	
Sorted or matchings, if not			
scoured -----	35	2/19	
Scoured -----	37	2/21	

1/ Trade agreements with Argentina, effective November 1941, and Uruguay, effective January 1943.

2/ Hair of the alpaca, llama, and vicuna, trade agreement with Peru, effective July 1942. Hair of the Cashmere goat, trade agreement with Iran, effective June 1944.

Note.-- In 1939 the ad valorem equivalent of the basic duty on entries in the grease was 88 percent on carpet wools and other wools not finer than 40s, 90 percent on wools finer than 40s but not finer than 44s, 79 percent on wools finer than 44s, 80 percent on mohair, 7 percent on Angora rabbit hair, and 38 percent on dutiable camel hair.

ALL DUTIABLE RAW WOOLS AND RELATED HAIR (SUMMARY DIGEST)--Continued

Comment

This summary and the six digests immediately following relate to dutiable raw wool and related hair. The individual digests deal separately with all classes of wool entered under paragraph 1101 and 1102 except wools imported free under bond for the manufacture of carpets or other products specified in the tariff act and except hair of the vicuna, alpaca, llama, and the Cashmere goat. The coarse wools imported free for the manufacture of carpets are covered by digests included later in this volume. Hair of the vicuna, alpaca, llama, and the Cashmere goat have been imported principally or exclusively from countries other than those with which trade agreements are now under consideration.

Structure of duties

The Tariff Act of 1930 originally provided for three main classifications of raw wool and related animal hair dutiable under schedule 11. The first of the three main tariff classifications covers wool and hair provided for in paragraph 1101(a). These wools consist of all wools not finer than 40s, as well as unimproved wools irrespective of fineness, and camel's hair. These are the types which may be entered free of duty for the manufacture of floor coverings, press cloth, camel's hair belting, knit or felt boots, and heavy fulled lumbermen's socks. The bulk of the wools classified under paragraph 1101(a) have, in fact, been entered free of duty for the manufacture of these specified products (principally rugs and carpets), but small quantities of such imported wool have been used for other purposes and have been dutiable. The second of the main tariff classifications covers wools finer than 40s but not finer than 44s. The third classification covers wools finer than 44s, as well as hair of the Angora goat, Cashmere goat, alpaca, Angora rabbit, vicuna, llama, and other like animals.

Four different rates on each of the three main classes above referred to were specified for imports in different conditions. The differentials were intended to offset the differences in the costs of preparation here and abroad. For example, the rate on wools finer than 44s in the grease or washed is 34 cents per pound of clean content; the rate on sorted wool or matchings, if not scoured, is 35 cents per pound of clean content; the one cent being intended to offset the difference in cost of sorting here and abroad; similarly, the rate on scoured wool is 37 cents per pound of clean content, thus making an allowance of one cent per pound for differences in sorting costs and two cents for differences in scouring costs; wool on the skin is dutiable at 32 cents per pound of clean content, which allows two cents for differences in costs of pulling here and abroad. ^{1/}

As a result of action under trade agreements, the three main tariff classifications of wool (and similar hair) based on character of fibers, were increased to five. The rates on wools dutiable under paragraph 1101(a) were reduced in the trade agreements with Argentina and Uruguay. But this action did not affect camel's hair, which remained dutiable at the rates originally specified in the Tariff Act of 1930. Thus there are now two sets of rates applicable to imports under 1101(a), whereas there originally was only one. Similarly, in the trade agreement with Peru the rates of duty on hair of the alpaca, llama, and vicuna were reduced, thus taking such hair out of the single tariff classification originally provided for in paragraph 1102(b). In addition, in the trade agreements with Argentina and Uruguay the rates on wools finer than 40s but not finer than 44s were reduced. In all these actions, the original differentials between rates on wool and hair in the several conditions (in the grease, scoured, and so forth), were preserved.

^{1/} When wool is imported on the skin, the skin itself is free of duty.

ALL DUTIABLE RAW WOOLS AND RELATED HAIR (SUMMARY DIGEST)--Continued

Domestic production and imports

A breakdown of production and of total dutiable imports, including the items not currently included for trade agreement consideration, is given in the following table. Each of the classes shown is covered by a separate following digest except hair of the alpaca, llama, vicuna, and Cashmere goat, which as previously mentioned, have been imported chiefly from countries other than those with which trade agreement negotiations are immediately contemplated.

During the three years 1937-39 wool accounted for 93 percent of total United States production of wool and related hair and for 96 percent of the total dutiable imports. Combined production and imports of wool during these years averaged 244 million pounds (clean content) annually; domestic production accounted for 76 percent of this total and imports 24 percent. Nearly all the domestic production of wool consisted of wool finer than 44s. While wool finer than 44s also accounted for a large proportion of the dutiable imports of wool, about one-third of the total imported was 44s or coarser; most of this one-third was accounted for by wools 40s or coarser.

Mohair is the most important of the several classes of hair shown in the table and accounts for nearly all of the United States production of textile animal hair. There is also, however, a small domestic production of Angora rabbit hair. Of the total supplies of mohair in the years 1937-39, averaging nearly 18 million pounds, domestic production accounted for nearly 98 percent. Imports accounted for the entire supply of alpaca, llama, vicuna, Cashmere goat, and camel hair and for 83 percent of the total supply of Angora rabbit hair.

Table 2.--Wool and related hair: United States production and dutiable imports for consumption, annual average, 1937-39
(Quantity--clean content) 1/

Item	Production		Imports		Total production and imports			Relation of U.S. production to:	
	Quan- tity	Per- cent of total	Quan- tity	Per- cent of total	Quantity of total	Percent of total	Percent	Total quantity of all grades, and kinds	Total of the given grade or kind
	1,000 pounds		1,000 pounds		1,000 pounds			Percent	Percent
Wool:									
Finer									
than 44s:	183,210	91.6	38,306	63.2	221,516	85.0	70.3		82.7
40/44s---	1,860	.9	4,517	7.4	6,377	2.5	.7		29.2
Other									
wools --	930	.5	15,451	25.5	16,381	6.3	.4		5.7
Total	186,000	93.0	58,274	96.1	244,274	93.8	71.4		76.1
Hair:									
Mohair --	13,904	7.0	291	.5	14,195	5.4	5.3		97.9
Alpaca,									
llama,									
vicuna,									
and									
Cashmere:	--	--	1,832	3.0	1,822	.7	-		-
Camel,									
dutiable:	--	--	169	.3	169	.1	-		-
Angora									
rabbit	20	2/	95	.1	115	2/	2/		17.4
Total	13,924	7.0	2,377	3.9	16,301	6.2	5.3		85.4
Total, wool									
and hair	199,924	100.0	60,651	100.0	260,575	100.0	76.7		76.7

1/ Production data on scoured basis which should be reduced by approximately 2 percent to be equivalent to clean content.

2/ Less than 0.05 percent.

Source: Production from official statistics of the U. S. Department of Agriculture; imports from official statistics of the U. S. Department of Commerce.

ALL DUTIABLE RAW WOOLS AND RELATED HAIR (SUMMARY DIGEST)--Continued

On account of the predominance of wools 44s and finer in both domestic production and imports, and particularly in domestic production, the more general aspects of international trade and tariff problems with respect to dutiable wool are discussed in the digest covering wools finer than 44s dutiable under paragraph 1102(b). For this reason that digest is presented immediately following this summary statement, although this order of presentation involves a departure from that of the tariff paragraphs, the coarser wools being dutiable under paragraphs 1101(a) and 1102(a).

RAW WOOL, FINER THAN 44s

Stat. import classes (1939): 3520.0 to 3521.3; 3522.0 to 3523.3; 3526.0 to 3527.3; and 3528.0 to 3529.3, all groups inclusive.

Table 1.—United States production, exports, and imports, 1935-45

Year	Production	Domestic exports <u>1/</u>	Imports for consumption <u>2/</u> from---				
			All coun-tries <u>3/</u>	AUSTRALIA	Uruguay	Union of So. Afr.	New Zealand
Quantity (1,000 pounds actual weight)							
1935 --	421,118	20	23,236	8,823	1,972	425	2,088
1936 --	412,118	16	74,612	30,749	16,104	3,669	4,025
1937 --	418,654	68	116,158	68,711	17,220	4,398	7,359
1938 --	420,680	1,343	15,843	6,497	1,844	525	1,681
1939 --	423,216	179	67,575	29,078	13,680	8,329	3,804
1940 --	436,600	456	191,889	39,321	41,039	31,233	1,973
1941 --	456,400	38	547,298	237,482	95,243	43,471	2,963
1942 --	459,100	111	466,207	256,241	25,794	61,017	20,663
1943 --	444,578	27,878	574,241	292,575	83,561	43,339	17,958
1944 <u>4/</u>	418,100	7,396	456,316	206,143	93,297	23,933	14,624
1945 <u>4/</u>	387,000	32,485	591,948	287,583	123,917	38,345	39,823
Quantity (1,000 pounds, clean content) <u>5/</u>							
1935 --	180,255	<u>6/</u>	14,375	5,262	1,221	230	1,437
1936 --	174,345		44,963	17,973	9,749	1,834	2,666
1937 --	182,225		67,405	39,739	10,400	2,242	4,915
1938 --	183,210		9,536	3,869	1,154	290	1,177
1939 --	184,195		37,933	16,662	8,021	3,817	2,457
1940 --	186,165		97,755	20,887	23,337	14,605	1,167
1941 --	198,970		291,391	125,286	56,182	19,558	1,733
1942 --	200,940		267,186	142,810	18,209	28,904	13,100
1943 --	197,000		345,238	164,266	53,861	22,335	12,638
1944 <u>4/</u>	187,150		280,375	118,492	59,145	12,170	10,268
1945 <u>4/</u>	171,390		361,254	165,267	81,689	19,340	27,108
Value (1,000 dollars) <u>7/</u>							
1935 --	119,761	6	5,179	2,160	395	109	378
1936 --	141,146	8	20,701	9,533	4,127	961	964
1937 --	160,795	29	39,538	24,509	5,582	1,375	2,431
1938 --	111,923	423	5,010	2,195	530	174	485
1939 --	131,095	99	16,230	7,052	3,184	2,124	882
1940 --	151,512	185	45,040	10,348	10,861	7,372	373
1941 --	189,256	102	145,249	66,992	27,203	10,926	708
1942 --	213,012	162	137,957	76,411	8,803	16,275	6,087
1943 --	209,624	10,338	181,090	92,146	27,104	13,103	6,056
1944 <u>4/</u>	201,355	1,823	144,925	65,782	29,778	7,117	4,989
1945 <u>4/</u>	183,456	18,060	189,020	90,302	42,321	11,453	12,783

^{1/} Data not strictly comparable for the series shown.

^{2/} Does not include imports duty-free for manufacture and export; or duty-free as an act of international courtesy, or free for the Government use.

^{3/} Includes the following imports from Argentina (important only since 1939):

	Clean content (1,000 pounds)
1940 -----	30,129
1941 -----	77,879
1942 -----	56,492
1943 -----	74,916
1944 -----	59,187
1945 -----	48,636

Footnotes continued on following page.

RAW WOOL, FINER THAN 44s - Continued

4/ Preliminary.

5/ Domestic production is on scoured basis. Scoured weight over a period of years averaged about 2 percent greater than clean content after allowance for vegetable matter. After 1941, it averaged about 1 percent greater.

6/ Sufficient data are not available as to the condition of exports to permit an estimate of the clean weight.

7/ A proximate value of United States production, based on Boston prices for fine to quarter blood wools, all staple lengths. Values of imports are foreign values, not including duty or costs of transportation and marketing.

Source: Official statistics of the U. S. Department of Commerce, except as noted.

<u>Item</u>	<u>United States tariff</u>		<u>Proposed</u>
	<u>Act of</u>	<u>1945</u>	<u>negotiating</u>
	<u>1930</u>	<u>rate</u>	<u>country</u>
	<u>Cents per pound of clean content</u>		
Par. 1102(b).			
Wools not specially provided for (finer than 44s):			
In the grease or washed -----	34	34	AUSTRALIA
On the skin -----	32	32	do.
Sorted or matchings, if not scoured -----	35	35	do.
Scoured -----	37	37	do.

Note.- The ad valorem equivalent of the basic duty of 34 cents on wool in the grease was 79 percent on an average clean content value of 43.0 cents in 1939, compared with 58 percent on an average value of 58.8 cents in 1937.

Comment

While about one-third of the imports of dutiable wool is of grades coarser than 44s, only about 1-1/2 percent of the domestic production is of such coarse wools. For this reason, certain Government measures, later to be described, which since 1939 have been of major importance to the conditions of production and trade in all apparel wools, as well as the more general aspects of domestic production and trade over a longer period, are discussed in this digest.

The United States in relation to world production
and trade in apparel wool

The world production of "improved" or apparel wools in 1939 was estimated at about 1,780 million pounds (scoured weight) ^{1/}, about two thirds of this production being in the Southern Hemisphere. Australia, Argentina, New Zealand, the Union of South Africa, and Uruguay, are the principal foreign producing countries and have supplied the great bulk of the world exports of apparel wool. Australia alone normally accounts for nearly one-half of such exports. In 1937 to 1939 the United States production of apparel wools averaged about 186 million pounds, or about 10-1/2 percent of total world production. Of the domestic production about 98.5 percent, or over 183 million pounds, was of wools finer than 44s. United States imports of dutiable or apparel wool averaged about 59-1/2 million pounds annually in the years 1937 to 1939, or approximately 3.3 percent of total world production. Of these imports about 38 million pounds were of wools finer than 44s, which was equal to about 20 percent of domestic production of these grades.

^{1/} Hereafter, in referring to quantities of wool in this digest, unless otherwise noted figures are in terms of scoured weight.

RAW WOOL, FINER THAN 44s-Continued

During the war world production of apparel wool increased substantially but world consumption declined sharply because the countries of western continental Europe, which normally import about 600 million pounds (scoured basis) annually, were cut off from overseas supplies. Despite the fact that annual United States consumption^{1/} the war period was more than twice that of previous years, the world carry-over ^{1/} on October 1, 1946, amounted to nearly 2.0 billion pounds. Approximately one-eighth of this carry-over consisted of United States wool owned by the Commodity Credit Corporation, and two-thirds as much consisted of South American wools. The remainder, consisting almost entirely of wools grown in British Empire countries, was held by the Inter-Governmental Joint Wool Organization, formed by the British countries. It will be several years, possibly more than a decade, before the annual carryover is reduced to normal proportions, despite the fact that in both the United States and foreign countries sheep numbers have been considerably reduced from the wartime peak levels. Annual world production is now probably somewhat smaller than in 1939, and will probably remain so until the world carry-over is reduced to about the normal amount.

United States production and consumption since 1922

The United States production of wool (mostly finer than 44s) increased from about 123 million pounds in 1922 (the lowest year since World War I) to 193 million pounds in 1931, the peak year for the inter-war period. With comparatively small variation from year to year the output averaged 187 million pounds in the years 1935 to 1939.

The increase in wool production from 1922 to the middle thirties was accompanied by a strong, though irregular, trend toward displacement of foreign wools by domestic wools in United States consumption. In the period 1923-25 United States consumption of apparel wools averaged about 271 million pounds, of which approximately 36.5 percent consisted of foreign wools; in the years 1927-29 consumption averaged about 248 million pounds, of which 20.4 percent consisted of imported wools. In the period 1931-33, with a further increase in domestic production and a decline in the demand for wool in this country, consumption averaged about 224 million pounds, only 7.1 percent consisting of foreign wools. In the years 1934 to 1936, with the return of greater mill activity and with considerable liquidation of accumulated domestic stocks, consumption averaged about 255 million pounds annually, imported wools supplying 10.4 percent. In the years 1937-39 consumption averaged 254 million pounds, of which imports supplied 15.6 percent.

After 1939, with a sharp advance in wool prices in the United States resulting mainly from Government policy with respect to the purchase of military fabrics, wool production in this country increased to a war-time peak of 204 million pounds in 1942. After that year prices of wool in the United States increased further under the influence of Government purchases of raw wool, but production declined owing to increases in costs of sheep raising, the difficulties of ranchers in obtaining labor, and the fact that some of them found prices of some other products (especially beef cattle) more remunerative. In 1945 production was about 174 million pounds, or about 16 percent below the peak of 1942. On January 1, 1946, stock sheep in the United States were nearly 25 percent fewer in number than in 1942, indicating wool production of about 158 million pounds in 1946. Since the present composition of sheep herds contains an unusually high proportion of 4-year-old and older ewes, a further decline in stock sheep and, therefore, of wool production from the 1946 level is indicated.

^{1/} Including a large volume of old-clip wools actually sold but not yet shipped from countries where produced, and, therefore, in effect, still a part of the world accumulation because not yet physically moved into commercial stocks.

RAW WOOL, FINER THAN 44s-Continued

During the war the need of the armed forces for greatly increased quantities of wool fabrics resulted in record high consumption of apparel wool. The increase in domestic production supplied only a fraction of the increased requirements and imports rose to record heights. In 1941-45 total consumption of apparel wools averaged 569 million pounds per year, 67.2 percent consisting of imported wools. In 1945, considered alone, imports constituted nearly 80 percent of the United States consumption. Despite the large amounts of wool used the supply of fabrics available to civilians was severely limited, with the result that at the close of the war there was a very large accumulated need for civilian fabrics. This need, together with the current high level of consumer purchasing power, may be expected to maintain demands for wool at a high level for four or five years, possibly in excess of 350 million pounds annually. Should this estimate of demand turn out to be correct in the period 1946-50 wool of domestic origin, including current production and withdrawals from the accumulated stocks, would probably supply about half of total requirements, and imports the remainder, provided domestic wools are made available to United States mills at prices strictly competitive with duty-paid imported wools.

The tariff and other Government policies
in relation to United States wool production and prices

The factors which have influenced the changing volume of wool production in the United States are complex. In particular, the profitability, and, therefore, the volume, of wool production has been affected not only by the price of wool but also by the prices of sheep and lambs sold for meat. The domestic prices of wool, and of sheep and lambs, have been influenced by the tariff treatment of them. They have also varied substantially under the influence of other factors, such as the tariff treatment and United States supplies of meats competing with lamb and mutton, and particularly changes in business conditions. ^{1/} Notwithstanding these complications, it is clear that United States tariff policy with respect to apparel wool and wool manufacturers and other Government measures relating to wool have been of major importance in influencing the changes in volume of domestic wool production.

Apparel wool as well as carpet wool was free of duty under the Act of 1913.^{2/} The Emergency Tariff Act of 1921 restored apparel wool to dutiable status, and under the Tariff Act of 1922 the basic rate on apparel wools in general, as well as on those finer than 44s ^{3/}, was fixed at 31 cents per pound of clean content. The restoration of wool to the dutiable list after World War I, and at rates substantially higher than had been in effect before 1913, was a considerable factor in promoting the increase in domestic production that occurred between 1923 and 1931 and in maintaining a relatively high level of domestic production throughout the thirties.

^{1/} For a discussion of the proportions of total income derived from sheep attributable to the sale of wool, see report of the Tariff Commission on Raw Wool, issued Dec. 1943, pp. 1-3, and more especially its report on Estimated Costs of Production of Wool, Sheep, and Lambs in 1944 Compared with Costs in 1940-43, issued in Jan. 1945. As regards the production and trade in mutton and lamb, and the duties applicable to imports of these commodities, see digest on Mutton and Lamb, paragraph 702.

^{2/} The imports of wool had also been free of duty for 3 years under the Tariff Act of 1894. Except for the two periods of effectiveness of the acts of 1894 and 1913, the domestic production of raw wool has had substantial tariff protection since 1867.

^{3/} The bulk of the imports of wool enter the United States in the grease and the rates applicable to wool in that condition under different tariff acts may be regarded as indicating the level of tariff protection, i.e., are the basic rates. Under the acts of 1897 and 1909 the rates of duty on apparel wool in the grease had been 11 cents per grease pound. This rate was equivalent to about 20.5 cents per pound of clean content.

RAW WOOL, FINER THAN 44s-Continued

In the inter-war period the average annual prices at Boston of the four main grades of domestic wool regularly ranged from 9 to 18 cents per scoured pounds less than the duty-paid prices at which foreign wools of similar descriptions (but not comparable as to degree of preparations) were, or could be, obtained. ^{1/} Part of these differences were attributable to the fact that the duties were not fully effective in raising the prices of domestic wools by their full amount. Particularly, the duties seem not to have been thus effective in years of low domestic consumption of wool such as 1931 to 1933. In such years imports supplied a smaller proportion of consumption than in years of greater mill activity, and a larger proportion of the imports consisted of specialty wools needed for blending with United States wools. Even in years a heavy consumption and substantial imports, such as 1937 and 1939, the prices of domestic wools usually ranged from 9 to 12 cents below the duty-paid prices of foreign wools of similar description. These differences were due largely to differences in preparation and marketing of domestic and imported wools. Foreign fleeces have usually been "skirted" (trimmed) to remove the less desirable parts and carefully graded (classed) into lots which normally show only minor variations in quality. Domestic fleeces are not "skirted" nor so closely graded, sometimes are not graded at all. The result is that the duty-paid prices per pound of foreign wools have usually been considerably higher than those of domestic fleeces of similar descriptions. Moreover, domestic wools are usually sold soon after shearing and buyers have to pay the costs and assume the market risks involved in holding them for up to 6 months or longer. Imported wools, on the other hand, are normally bought as needed, and the foreign growers or sellers assume the costs and risks of holding them until disposed of. ^{2/}

Despite the complications just referred to in measuring the precise degree of effectiveness of the duties in raising the prices of domestic wool, it is clear that in most of the interwar period the tariff raised the prices of domestic wools considerably above free world prices. Moreover, even before making allowance for the preparation differential, the tariff in some periods raised the prices of domestic wools above free world prices by the full amounts of the duties. After 1939 the effects of the tariff on the spread between the domestic and foreign prices of apparel wools were superseded by the influence of other policies of the United States Government. In 1940 the War Department began to place large orders for military fabrics, and, pursuant to the provisions of the "Buy American" Act of 1933, required the use of domestic wools as long as they were available in the grades needed and as long as prices were not unreasonably higher than for imported wools. Under the influence of this program the prices of domestic wools moved upward throughout 1940, more especially in the fall of that year. When the supplies of domestic wool became insufficient to cover requirements for the production of military fabrics, the use of foreign wool was permitted in and after November 1940, but the Government continued to pay considerably higher prices for fabrics made from domestic wool than for similar fabrics made from imported wool. Under the influence of the Government procurement policy the prices of domestic wools rose substantially in 1940 and 1941 as compared with the duty-paid prices of imported wools, and this was doubtless an important factor in promoting the increase in domestic wool production in 1941 and 1942.

In 1942, under the Emergency Price Control Act, ceiling prices were established for domestic wools which in effect confirmed the price differentials resulting from the procurement policy, and in 1943 the price support provided for domestic wools by the procurement policy was supplemented by the Government's commitment to take over the domestic production of raw wool at ceiling prices through the Commodity Credit Corporation. This policy was continued with respect to the 1944 and 1945 clips and the Government is now committed similarly to take over the 1946 clip. ^{3/}

^{1/} See below.

^{2/} For detailed descriptions of the differences between the prices of domestic wools and the duty-paid prices of foreign wools, see Wool Prices, Report No. 120, 2d Series, U. S. Tariff Commission, 1937, pp. 7-9 and 21 & fol.

^{3/} The present commitment extends to domestic production offered up to April 15, 1947, i.e., ends before 1947 wools become available in volume.

RAW WOOL, FINER THAN 44s-Continued

Under the influence of the measures just described, the prices of domestic wools to the producers have since 1941 exceeded the duty-paid prices of imported wools. When allowance is made for the effects of differences in the preparation and marketing of domestic and imported wools, it is estimated that the prices of domestic wools in 1943 were from 13 to 20 cents per scoured pound higher than the duty alone would have sustained. In 1945, and until wool auctions were resumed in September 1946, as the result of reductions in the issue prices of British Empire wools ^{1/}, the take-over program itself raised the prices of domestic wools by about 25 cents per scoured pound above the 1936-39 relationship to duty-paid prices of similar imported wools.

Price data of imported and domestic wools relevant to the foregoing discussion are shown on the following page.

So long as the demand for military fabrics was sufficient to absorb the domestic production, the Commodity Credit Corporation was able without loss to dispose of wools purchased by it at ceiling prices. This, of course, was due to the premium prices paid by the Government for fabrics made in whole or in part from domestic wool. With the decline in the production of military fabrics beginning in 1944, the military demand failed to provide a market for the domestic output of raw wool. It was not profitable to use domestic wools at the ceiling prices to produce civilian fabrics, because imported wools were obtainable at substantially lower prices. Under these circumstances the Commodity Credit Corporation has become the holder, of large stocks of domestic wools which it could not dispose of without loss. In order to permit these wools to be used in the production of civilian fabrics in competition with imported wool the Commodity Credit Corporation early in 1946 began to sell domestic wools at prices substantially competitive with the duty-paid prices of imported wools, consideration being given to the "spot" position of domestics. ^{2/} This action has permitted the sale of considerable domestic wool for the production of civilian fabrics, ^{3/} but has forced the Commodity Credit Corporation to take substantial losses.

On March 11, 1946, the President recommended legislation to provide for a permanent program for wool, and bills in accordance with the President's recommendations were introduced in the 79th Congress (S. 2033 and H.R. 6043). These bills provided for the continuance of Government purchasing of domestic wools at ceiling prices, or for other forms of price support equivalent thereto, until December 31, 1950, and subject to this provision, further provided that the Government would support the prices of wool at not less than 90 percent of "revised parity" (the so called "comparable" basis) for two years after the first of January following the official termination of the war. The bills further provided that thereafter the Government would support the price of wool at not less than 50 nor more than 75

^{1/} The "issue price" was that at which any grade or type was freely offered for sale by the British Wool Control. When auctions in London and the Dominions were resumed in September, the Auction prices averaged 7 cents or more per pound higher than the reserve prices, which were the same as the former issue prices.

^{2/} Desirable wools were in short supply throughout 1946, and domestic wools readily available in United States warehouses were priced at 5 to 6 cents per pound higher than comparable duty-paid imported wools in order to take advantage of the spot position.

^{3/} These sales have not resulted in any reduction of the stockpile from the 1945 level because of concurrent purchases under the Government's commitment to the growers. On October 1, 1946 about 500 million pounds of domestic wools were owned by the Commodity Credit Corporation and approximately 500 million pounds of the 1946 production remained to be taken over.

Table 2.- Comparative wool prices - Boston: Quoted prices of United States (Territory) wools, and duty-paid prices of imported wools, averages, 1924-29, 1931-33, 1934-35, and 1936-39, annually, 1940-45

(Dollars per pound, scoured basis)

Year	Fine strictly combing (64s/70s)			Half-blood strictly combing (60s)			Three-eighths-blood strictly combing (56s)			Quarter-blood strictly combing (50s)			Excess of do- mestic over foreign price, simple aver- age, four grades 5/
	Im- ported	Domes- tic	Differ- ence	Im- ported	Domes- tic	Differ- ence	Im- ported	Domes- tic	Differ- ence	Im- ported	Domes- tic	Differ- ence	
1924-29 -----	1.378	1.203	-0.175	1.240	1.114	-0.126	1.087	1.000	-0.087	0.972	0.904	-0.068	-0.114
1931-33 1/ -----	.732	.578	-.154	.689	.543	-.141	.635	.493	-.142	.591	.445	-.146	-.146
1934-35 1/ -----	.916	.792	-.124	.860	.764	-.096	.791	.703	-.088	.725	.643	-.082	-.098
1936-39 2/ -----	.949	.831	-.118	.894	.793	-.101	.818	.706	-.112	.748	.653	-.095	-.107
1940 2/ -----	.948	.950	+0.002	.922	.893	-.029	.854	.794	-.060	.818	.744	-.074	-.040
1941 2/ -----	1.050	1.082	+0.032	1.025	1.018	-.007	.912	.915	+0.003	.865	.855	-.010	+0.004
1942 2/ -----	1.108	1.188	+0.080	1.084	1.131	+0.047	.974	1.021	+0.047	.931	.943	+0.012	+0.047
1943 (8 mos.) 2/ -----	1.095	1.190	+0.095	1.050	1.140	+0.090	.953	1.043	+0.090	.916	.950	+0.034	+0.077
1943 (ceiling) 4/ -----	1.090	1.200	+0.110	1.050	1.150	+0.100	.950	1.040	+0.090	.913	.960	+0.047	+0.087
1944 -----	1.100	1.210	+0.110	1.060	1.170	+0.110	.960	1.060	+0.100	.920	.970	+0.050	+0.092
1945 -----	1.055	1.195	+0.140	1.010	1.160	+0.150	.900	1.050	+0.150	.850	.970	+0.120	+0.140

1/ Based on Wool Prices, Report No. 120, 2d Series, U. S. Tariff Commission, 1937, pp. 7-9. Prices of imported wools are averages of prices at London auctions and of spot wools, Boston, plus the basic duty of 31 to 34 cents per clean pound.

2/ Prices of spot imported wools as quoted by the Commercial Bulletin, plus the duty; these prices assembled to continue the price series substantially as shown in Wool Prices. Prices of imported wools include London auction prices through July 1939.

3/ Prices of spot imported wools as quoted by the Commercial Bulletin, plus the basic duty of 34 cents per clean pound. Quoted prices are adjusted to allow for the smaller proportion of spot sales since 1940.

4/ Approximate domestic wool price ceilings and duty-paid landed costs of similar imported wools.

5/ Amount by which prices of four grades of domestic wools exceed prices of like imported wools in 1924-39; before 1941 domestic wools averaged lower in price. Price differences with minus (-) signs indicate excess of foreign over domestic prices; those with plus (+) signs show the differences in favor of domestic wools. The preparation differential was about 2 cents per pound larger in 1944-45, in part because of higher prices than before 1940, but chiefly because of shortage of sorting labor in this country. For this reason the differentials shown in the last column would be about 2 cents per pound higher, under normal conditions of marketing, than are shown in the first 6 lines, applicable to the prewar period.

RAW WOOL, FINER THAN 44s-Continued

percent of the revised parity price $\frac{1}{2}$ and that when reductions in the support price were made that price for any year should not be less than 92 percent of that for the preceding year. Under the proposed legislation the prices of domestic wools to United States mills would, irrespective of the prices to the growers, be allowed to go to levels competitive with the duty-paid prices of foreign wools. The cost of the price support, i.e., the subsidy representing the difference between the support prices to the growers and the competitive prices to the mills, would be provided for by the earmarking of customs revenue sufficient for the purpose.

1/ Parity prices for various agricultural products are relevant to the administration of certain governmental activities with respect to agriculture, and the methods of determining parities are set forth in the legislation concerning these activities. The original and familiar concept of parity for a particular agricultural product at any time was a price which bears the same relation to the average prices at that time of the commodities bought by farmers as the average price of the agricultural product bore to the average prices of commodities bought by the farmers in the period 1909 to 1914. The revised parity or "comparable" price proposed to be employed under the recommended program for wool would be that price which bears the same relation to the average parity prices of the so-called basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts for nuts) as the actual price for wool bore to the actual average prices of the basic agricultural commodities during the period August 1934 to July 1939. The significance of the use of the revised parity formula is that it would result in considerably higher parity prices for wool than would the use of the 1909-14 base. For example, the parity price for wool on October 15, 1946, determined on the basis on the original concept of parity, was 37.9 cents per pound (in the grease). According to the revised or "comparable" price formula, the parity price for wool on October 15, 1946 would be 47.2 cents per pound. Revisions of the parity concept along similar lines to those herein proposed for wool have been adopted in the administration of activities relating to seventeen agricultural products. Among such products are oranges, grapefruit, dates, soy beans, certain varieties of dried field peas, certain tree nuts, and peanut for oil.

UNIMPROVED WOOLS AND OTHER WOOLS NOT FINER THAN 40s, DUTIABLE

Stat. import classes (1939): 3501.0-3502.3, and 3506.0-3509.3 (15 classes)

United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from--				
			All countries	Argentina	NEW ZEALAND	United Kingdom	India 1/
Quantity (1,000 pounds, actual weight)							
1937 --	2/ 1,667	Not avail- able 3/	28,765	15,224	4,380	3,055	1,208
1938 --	2/ 1,667		14,199	7,382	2,509	2,012	723
1939 --	2/ 1,667		24,841	14,048	4,441	2,787	1,773
1943 --	2/ 1,750		20,050	17,097	319	195	-
Value (1,000 dollars)							
1937 --	Not	Not	7,353	3,341	1,369	987	425
1938 --	avail-	avail-	3,171	1,417	596	555	188
1939 --	able	able 3/	4,614	2,434	778	660	383
1943 --			3,160	2,943	77	68	-

1/ Includes Burma in 1937.

2/ Estimated. 3/ Probably none.

Source: Official statistics of the U. S. Department of Commerce, except as noted.

ItemUnited States tariffProposed negotiating countryAct of 1930 1945 rates 1/Cents per pound of clean content

Par. 1101(a)

Donskoi, Smyrna, Cordova, etc.;
similar wools without merino or
English blood; and all other
wools not finer than 40s (if
dutable):

In the grease or washed -----	24	13	NEW ZEALAND
On the skin -----	22	11	do.
Sorted or matchings if not scoured	25	14	do.
Scoured -----	27	16	do.

1/ Trade agreement with Argentina, effective November 1941, and with Uruguay, effective January 1943.

Note.-- The ad valorem equivalent of the specific rate in 1939 was 85 percent on true carpet wools, 89 percent on other wools not finer than 40s, and 88 percent on total imports.

Comment

As noted in the digest dealing with these wools entered duty-free, under bond, for specified manufactures, there is no domestic production of unimproved or carpet wools, and the output of other (improved) wools not finer than 40s amounts to no more than about 0.5 percent of the total domestic production. Much of the latter is shorn from coarse woolled animals kept for the production of cross-bred range breeding stock which are kept in large numbers in much of the western region. Most of the rest of the United States output of these coarse wools occurs in farm flocks particularly in the Willamette Valley of western Oregon. The domestic production competed directly with like imported wools, chiefly in the manufacture of moderate priced clothing and knit goods. There is some competition also with the true carpet wools entered for apparel uses and, therefore, dutiable. These dutiable

UNIMPROVED WOOLS AND OTHER WOOLS NOT FINER THAN 40s, DUTIABLE-Continued

carpet or unimproved wools are, however, used almost entirely for blending with coarse improved wools in the manufacture of specialty fabrics, chiefly sports wear, to obtain effects which are difficult or impossible to get without them.

During and since the war such domestic production as there is of these wools has been subject to the price support measures described in the digest covering wools finer than 44s dutiable under paragraph 1102 (b). What is there said about the tariff and the outlook for domestic production with or without the continuance of government price support is applicable to the wools here under consideration.

Imports of the unimproved or true carpet wools have always come chiefly from Argentina, the United Kingdom, India, and China. Imports of other wools not finer than 40s have come principally from Argentina, New Zealand, the United Kingdom and Uruguay, and in 1937-39 averaged about 10 times larger than the United States production. The following tabulation shows imports of each type of these wools from principal sources in 1937 and 1939.

Imports of true carpet wools and of other wools not finer than 40s, by principal sources, in thousands of pounds (actual weight),
1937 and 1939

Country	1937				1939			
	True carpet wools	Other wools not finer than 40s	Total		True carpet wools	Other wools not finer than 40s	Total	
Argentina -----	5,035	10,189	15,224	:	2,885	11,163	14,048	:
New Zealand ^{1/} -----	-	4,880	4,880	:	-	4,441	4,441	:
United Kingdom ----	1,823	1,232	3,055	:	1,339	1,448	2,787	:
India -----	1,057	151	1,208	:	1,456	317	1,773	:
Uruguay -----	170	1,690	1,860	:	112	550	662	:
China -----	419	300	719	:	170	117	287	:
Eire -----	71	246	317	:	116	94	210	:
Total all countries	8,926	19,839	28,765	:	6,311	18,530	24,841	:

^{1/} A part of the entries from New Zealand were classed as true carpet wools which are not produced in that country.

Source: Official statistics of the U. S. Department of Commerce.

CAMEL HAIR, DUTIABLE

Par.No.1101(a)
CHINA

Stat. import classes (1939): 3510.0-3511.3 (5 classes)

United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from--			
			All countries	CHINA	Syria	Iraq
	Quantity (1,000 pounds, actual weight)					
1937 ----	N	N	412	349	55	8
1938 ----	O	O	57	54	3	-
1939 ----	N	N	210	208	-	-
1943 ----	E	E	<u>1</u> / 117	-	19	23
	Value (1,000 dollars)					
1937 ----	N	N	231	219	11	1
1938 ----	O	O	28	27	1	-
1939 ----	N	N	120	119	-	-
1943 ----	E	E	<u>1</u> / 37	-	4	4

1/ Includes 50 thousand pounds valued at 21 thousand dollars imported from Afghanistan, probably in part a product of China; also 20 thousand pounds valued at 6 thousand dollars from India.

Source: Official statistics of the U. S. Department of Commerce.

<u>Item</u>	<u>United States tariff</u>		<u>Proposed</u>
	<u>Act of</u>	<u>1945</u>	<u>negotiating</u>
	<u>1930</u>	<u>rate</u>	<u>country</u>
Cents per pound of clean content			

Par. 1101 (a)

Hair of the camel (if dutiable):

In the grease or washed -----	24	24	CHINA
On the skin -----	22	22	do.
Sorted or matchings, not scoured	25	25	do.
Scoured -----	27	27	do.

Note.-- The ad valorem equivalent of the specific rates was 33 percent on total imports in 1939.

Comment

Dutiable camel hair is imported principally for manufacture of specialty outerwear, chiefly for men, and chiefly in blends with wool in order to obtain effects which cannot be obtained from wool alone. Such fabrics are of luxury type, and pure camel hair fabrics are distinctly of that type. Dutiable camel hair normally consists, so far as practicable, of the soft undergrowth, or of selected, relatively high-priced types which contain a minimum of the very coarse outer or "beard" hair. The United States supply for apparel purposes is added to by use of the undergrowth combed out as noils by importers of duty-free camel hair entered for certain uses. With no domestic production or exports, the duty in normal times is, in effect, a revenue levy.

RAW WOOL, FINER THAN 40s BUT NOT FINER THAN 44s
(See digest on wool finer than 44s)

Stat. import classes (1939): 3513.0 - 3525.3 (10 classes)

United States production, exports, and imports, 1937-39 and 1943

Year	Production ^{1/}	Domestic exports	Imports for consumption ^{2/} from—				
			All countries	NEW ZEALAND	Uruguay	Argentina	United Kingdom
	Quantity (1,000 pounds, actual weight)						
1937	3,300	Not avail- able	10,442	3,928	2,650	2,230	602
1938	3,300		2,600	1,649	196	294	204
1939	3,300		7,036	2,896	2,382	917	242
1943	3,500		3/30,305	3,436	2,658	23,815	13
	Value (1,000 dollars)						
1937	Not avail- able	Not avail- able	2,588	1,094	695	358	180
1938			688	435	44	57	69
1939			1,495	650	479	162	68
1943			3/6,013	957	821	4,095	4

^{1/} Estimated.^{2/} Does not include imports entered free for government use, or as act of international courtesy, or for manufacture in bonded warehouse and export.^{3/} Includes 257 thousand pounds valued at 96 thousand dollars imported from Eire.

Source: Official statistics of the U. S. Department of Commerce, except as noted.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate ^{1/}	
	Cents per pound of clean content		

Par. 1102(a)

Wools, not specially provided for,
not finer than 44s:

In the grease or washed -----	29	17)	NEW ZEALAND
On the skin -----	27	15)	
Sorted or matchings, if not scoured -----	30	18)	
Scoured -----	32	20)	

^{1/} Trade agreements with Argentina, effective November 1941, and Uruguay, effective January 1943.

Note.- The ad valorem equivalent of the basic rate (29 cents in the grease or washed) was 90 percent of the average grease value of 32.2 cents in 1939.

Comment

The United States production of 40/44s wools amounts to approximately 1 percent of the domestic production of all wools. This part of the production (as well as the imported wool) is used chiefly in moderate-priced outerwear and knit goods, in papermakers' felts, and to some extent in blends with mohair (and other fiber) in the manufacture of pile fabrics, overcoatings, and light-weight summer suitings. In this country it is produced in part by **ranchers** whose principal business is raising certain coarser-wooled breeds of rams for sale for cross-breeding, and in part by farmers in certain areas, such as in the Willamette Valley in Western Oregon, where, on account of local conditions or of other special factors, sheep which yield such wools are preferred. The Valley wools have an unusual

RAW WOOL, FINER THAN 40s BUT NOT FINER THAN 44s-Continued

felting property and a special value for blending with other wools in the manufacture of papermaker's felts.

Imports for many years have supplied the greater part of the United States consumption of 40/44s wools, because nearly all the American producers prefer to raise finer-wooled sheep and thus to produce a higher quality market lamb than is usually obtained from coarser-wooled sheep. The prices of the coarser-wools here under consideration are usually somewhat lower than those of finer wools. While, however, the coarse-wooled sheep usually average more wool per fleece it is probable that the cost in the United States of producing 40/44s wools is not appreciably lower than that of producing finer wools. This is because the sales (for meat) of lambs from coarse-wooled herds often bring smaller returns than such sales from finer-wooled herds.

Domestic production of these wools during and since the war has been subject to the price support measures described in the digest covering wools finer than 44s. What is there said regarding the tariff and the outlook for domestic production with or without the continuance of government price support is applicable to the wools here under consideration.

MOHAIR (HAIR OF THE ANGORA GOAT)

Stat. import classes (1939): 3530.0-3530.4 (5 classes)

United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from--				
			All countries	UNION OF S. AFRICA	Turkey	Iran	Mexico
Quantity (1,000 pounds, actual weight)							
1937	16,528.	Not	894	802	6	-	49
1938	16,827	avail-	<u>2/</u> 106	10	9	-	79
1939	18,785		173	97	74	1	-
1943	20,196	able <u>1/</u>	<u>3/</u> 1,035	986	-	-	-
Value (1,000 dollars)							
1937	Not	Not	242	206	3	-	13
1938	avail-	avail-	<u>2/</u> 44	6	5	-	18
1939			73	47	26	1	-
1943	able	able <u>1/</u>	<u>3/</u> 359	346	-	-	-

1/ If any, known to be small relative to either domestic production or imports.

2/ Includes 6 thousand pounds, valued at 14 thousand dollars, imported from France.

3/ Includes 48 thousand pounds, valued at 13 thousand dollars, imported from Argentina, normally a very unimportant source.

Source: Production from official statistics of the U. S. Department of Agriculture; exports and imports from official statistics of the U. S. Department of Commerce.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate	
	Cents per pound of clean content		
Par. 1102(b)			
Hair of the Angora goat:			
In the grease or washed -----	34	34	U. OF SO. AFRICA
On the skin -----	32	32	do.
Sorted or matchings, if not			
scoured -----	35	35	do.
Scoured -----	37	37	do.

Note.-- The ad valorem equivalent of the basic rate (34 cents) on entries in the grease, with an average value of 58.0 cents in 1939, was 58.6 percent. In 1943, with an average value of 45.0 cents, the equivalent was 75.6 percent.

Comment

Mohair is used chiefly in pile fabrics for upholstery and draperies, usually in blends with coarse wools in order to lower the cost of the fabrics; in addition, it is used, also principally in blends, in fabrics for outerwear, largely men's overcoatings and summer suitings.

MOHAIR (HAIR OF THE ANGORA GOAT)—Continued

The United States today is probably the world's largest producer of mohair, followed by Turkey and South Africa in the order named. The South African output has been about halved since 1926, whereas output in the United States and Turkey has increased sharply. The mohair produced in other countries, such as Mexico and Argentina, is much lower in quality, and is a minor factor in international trade.

Imports into the United States, predominantly from South Africa, have been comparatively small since World War I, and averaged less than 2.3 percent of domestic production in 1937-39, a ratio which was typical of the prewar decade. In 1943, however, largely because of wartime demand, entries amounted to nearly 5 percent of United States production. Unit values in 1943 were approximately 17 percent lower than in 1939, principally because of large accumulations in South Africa and because, unlike wool, the Empire output of mohair was not taken over by the United Kingdom as a war measure.

About 90 percent of the United States mohair production is in Texas, and 96 percent is in Texas, Arizona, and New Mexico, in areas ill adapted for other livestock. There is comparatively little demand for and only limited sale of kids and goats. Unlike sheep and wool production, where sales of lambs and sheep are about as important as sales of wool in ranch receipts, the goat rancher's income, therefore, comes predominantly from sales of mohair. There is, moreover, a higher mortality of dams and kids, than of ewes and lambs. On the basis of data possessed by the Commission, there appears to be no substantial difference between costs of wool and of mohair. For that reason the same rates of duty were made applicable to both in the Tariff Act of 1930.

Stat. import class (1934): 3540.4

United States production, exports, and imports, 1937-39 and 1943

Year	Production ^{1/}	Domestic exports	Imports for consumption ^{2/} from--				
			All countries	FRANCE	United Kingdom	Japan	Belgium
	Quantity (1,000 pounds, scoured weight)						
1937 -	30	n.a.	48	34	5	2/	6
1938 -	30	Prob-	138	108	18	4	5
1939 -	30	ably	101	45	19	37	-
1943 -	45	none	-	-	-	-	-
	Value (1,000 dollars)						
1937 -	Not	n.a.	142	110	18	1	6
1938 -	avail-	Prob-	592	471	100	11	3
1939 -	able	ably	515	299	116	100	-
1943 -		none	-	-	-	-	-

^{1/} Estimated.

^{2/} The imports include some scoured hair of animals other than the Angora rabbit and would not include imports, if any, of Angora rabbit hair in unscoured condition. Actually, however, practically all the imports shown were Angora rabbit hair and in these years no or little unscoured Angora rabbit hair was imported.

^{3/} Less than 500.

Source: Official statistics of the U. S. Department of Commerce, except as noted.

<u>Item</u>	<u>United States tariff</u>		<u>Proposed</u> <u>negotiating</u> <u>country</u>
	<u>Act of</u> <u>1930</u>	<u>1945</u> <u>rate</u>	
Cents per pound, clean content			

Par. 1102(b)

Hair of animals like hair of the Angora goat, cashmere goat, and alpaca, but not including hair of the Angora goat, cashmere goat, alpaca, llama, and vicuña:

In the grease or washed -----	34	34	FRANCE
Scoured -----	37	37	do.
On the skin -----	32	32	do.
Sorted, or matchings, not scoured -----	35	35	do.

Note.— The ad valorem equivalent of the specific rate was 7 percent on total imports in 1939.

Comment

Angora rabbit hair the only hair here under consideration which is imported in significant quantities is fine, has a high luster, and gives fabrics a luxurious appearance which cannot be obtained with other animal fibers. It is difficult to process and is generally blended with fine wool, rayon, or silk in order to obtain yarns strong enough to withstand the strain of knitting or weaving. The blends may contain as little as 30 to as high as 80 percent of the hair for knitting yarns, and as low as 10 percent or less for the stronger weaving yarns. However, there is a limited output of yarns for hand knitting which are made from 100 percent Angora-rabbit hair. The yarns are used chiefly in knitted wear, more especially

ANGORA RABBIT HAIR AND SIMILAR HAIR-Continued

infants knitted outerwear, and in a limited output of woven fabrics where the highly decorative Angora effect is desired.

Domestic production is small, chiefly as a by-industry, and is estimated to have increased from about 30,000 pounds per year in 1937 to 50,000 pounds in 1944. The bulk of the United States prewar consumption was supplied by imports, principally from France and the United Kingdom, with some also coming from Belgium and the Netherlands. Japan was an unimportant source until 1939, when that country supplied about 36 percent of the volume and 19 percent of the value of total imports. There were no imports in 1943, and only extremely small entries in 1944 and 1945.

In 1945 domestic producers received about \$9.00 per pound for Angora rabbit hair (the annual product of from 1-1/3 to 1-2/3 rabbits) compared with an average of probably no more than \$3.00 per pound before 1940. Part of the increase in price received by the growers resulted from better care and preparation of the domestic hair, but most of it resulted from the unusual demand and supply situation during the war years. American producers have plans for increased output and have asked Congress for either a 50 percent ad valorem duty, or an import excise tax of \$3.00 per pound (additional to the present duty) with the tax to be applicable to imports of both yarn and hair.

NOILS AND OTHER WOOL MILL WASTES

(See also summary digest on apparel wool and manufactures thereof)

Stat. import classes (1939): 3550.0, 3550.1, 3550.5, 3553.0, 3553.1, 3553.2,
3553.4, 3553.5, 3553.6, 3553.7

United States production, exports, and imports, 1937-39 and 1943

Year	Pro- duction <u>1/</u>	Domestic exports <u>2/</u>	Imports for consumption from--				
			All countries	UNITED KINGDOM	BELGIUM	Australia	CHINA
	Quantity (1,000 pounds)						
1937	62,379	597	9,711	6,795	1,298	538	-
1938	n.c.	1,319	3,009	1,705	733	271	-
1939	57,386	884	9,923	6,061	1,833	834	1
1943	93,826	897	2/7,188	256	-	5,266	8
	Value (1,000 dollars)						
1937	Not	76	4,898	3,290	818	234	-
1938	avail-	157	1,461	824	411	110	-
1939	able	225	3,682	2,211	795	255	1
1943		153	2/3,379	137	-	2,458	20

1/ Consumption data as reported by the Bureau of the Census for various industries using noils and other wool mill wastes. Does not include ^{large}unrecorded amounts made and consumed in the same plant. Data for 1937 and 1943 partially estimated by the U. S. Tariff Commission.

2/ Includes wool tops except in 1943.

3/ Includes 1,429,000 pounds, valued at \$675,000, imported from Canada.

Source: Official statistics of the U. S. Department of Commerce except as noted.

ItemUnited States tariffProposed
negotiating
country

Act of 1945
1930 rate 1/
Cents per pound 2/

Par. 1105

Wool mill wastes:

Top, slubbing, roving, and ring

wastes -----

37

34

UNITED KINGDOM

Noils carbonized -----

30

21

UNITED KINGDOM, BELGIUM

Noils, not carbonized -----

23

16

UNITED KINGDOM

Noils produced from wool free of

duty under paragraph 1101, not

carbonized -----

3/

14

UNITED KINGDOM 4/
CHINA 4/

Garnetted waste -----

26

18

UNITED KINGDOM

Thread or yarn waste -----

25

15

UNITED KINGDOM, BELGIUM

Card or burr waste, carbonized ---

23

18

UNITED KINGDOM

Card or burr waste, not carbonized

16

14

do.

Flocks -----

8

5

do.

Wastes, n.s.p.f. -----

24

14

do.

1/ Trade agreement with United Kingdom, effective January 1939.

2/ The ad valorem equivalents for 1939 are shown in table at the end of the digest.

3/ Calculated by formula pursuant to Customs Regulation (art. 512(1), Customs Regulations, 1937). Changed by the Customs Administrative Act of 1938 (52 Stat. 1077) to 7/8 of the duty on noils dutiable under Par. 1105.

4/ The rate on this item depends upon the rate for other noils and should not be the subject of separate negotiations.

Comment

Paragraph 1105 of the Tariff Act of 1930 covers: (1) Noils; (2) other soft wastes; (3) hard wastes; (4) flecks; and (5) wool rags, shoddy, mungo, and wool extract. The first four are treated in this digest as wool mill wastes, while the last named group is treated in a separate digest covering wool rags and shoddy.

Most wool mill wastes that are sold originate in the worsted branch of the wool manufacturing industry but they are consumed to a large extent in the woolen branch. The felt goods and knitting industries rank next as consumers. Of the total consumption of textile fibers of all kinds by the woolen and worsted industry, noils and other wool mill wastes account for about 10 percent. This does not include ^{large} unrecorded amounts made and consumed in the same plant.

Noils are the shorter fibers of wool removed in the combing process. Of the wastes covered in this digest noils are by far the most important, both in domestic and international commerce. They are produced in the worsted industry and are used in the woolen, knit goods, and felt industries. It is estimated that the prewar production of wool noils in the United States was in the neighborhood of 30 million pounds per year, but many of these noils are made and consumed in the same plant by mills that have both woolen machinery and worsted machinery and therefore do not enter commerce. Fine grade noils furnish over half the raw material consumed by the wool-felt hat industry.

Noils are priced and sold by grade, depending on the grade of wool from which they are made. Over a period of years they have sold (both in the United States and the United Kingdom) at approximately 70 percent of the value of clean wool. Under the Tariff Act of 1930 the duty was proportionate to the duty on raw wool substantially in accordance with their relative value. In January 1939, the duty on noils was reduced 30 percent under the trade agreement with the United Kingdom without a corresponding reduction in the duty on raw wool. This action tended to permit larger imports of low and average-grade noils, to lower the domestic price, and to encourage the use of noils in place of raw wool in the woolen industry, with consequent reduction in the cost of woollens as opposed to worsteds. As a matter of fact, average-grade noils after reduction of the duty did represent a much larger proportion of total imports of noils than before, but international developments leading to war prevented any great increase in the total volume of imports, and the action taken accordingly had little effect upon the price and the consumption of wool noils in this country.

Carbonized noils are those which have the vegetable matter (burrs, etc.) removed by carbonizing with chemicals such as sulphuric acid or aluminum chloride. They are subject to higher duties than uncarbonized noils both to allow for the loss of weight and to afford protection for the additional services performed by domestic producers in the carbonizing process.

Noils produced from wools of a kind duty-free in the United States are dutiable, pursuant to the Customs Administrative Act of 1938, at 7/8 of the rate on apparel-wool noils. Any change in the rate on apparel noils would be reflected in the rate on noils made from duty-free kinds of wool.

Soft mill wastes include top, slubbing, roving, and ring waste, also card and comb waste. Top, slubbing, roving, and ring wastes are in a fibrous condition, comparatively clean, and are valued at about the price of clean wool from which made, or 10 to 15 percent more. These wastes do not reach the market in great quantity as compared to noils and other wastes. Card and comb wastes (except noils) are composed of short fibers, often dirty or burry, and are of relatively low value.

Hard mill wastes (i.e., yarn or thread wastes) are made in spinning and subsequent processes, and therefore contain twist. They sell at a somewhat lower price than the soft mill wastes. Garnetted waste is the recovered fiber obtained by garnetting thread waste. It is subject to a higher specific duty than thread waste because of the loss of weight and increase of value which the garnetting process entails.

NOILS AND OTHER WOOL MILL WASTES--Continued

Wool flocks are short, fluffy fibers (usually too short to be spun) removed from wool fabrics during the fulling, shearing, or napping processes in finishing. They are used as a weighting or filling material and to a small extent in wall paper decoration. Flocks sell at very low prices.

Imports of wool mill wastes have usually consisted of the higher grades. A large item in the import trade is extra fine noils used in the wool-felt hat industry. Except for carbonized noils and garnetted wastes the United Kingdom in most years has been the chief supplier of wool mill wastes. Belgium ranked first as a supplier of carbonized noils and garnetted wastes. France, Germany, and Canada also were important sources of certain types of mill wastes. The table below indicates the imports from principal sources in 1939 of each type of waste.

Exports have been relatively small and of low grade. Canada, Belgium, and the United Kingdom have been the principal markets.

Wool mill wastes: United States imports for consumption and equivalent ad valorem rate, by kind, with principal sources, 1939

Kind	:Ad valorem : :equivalent : :of the duty:	Total : value :	Principal sources
	: <u>Percent</u> :		
Top, slubbing, roving, and ring waste -----	68	\$9,795	UNITED KINGDOM, \$9,381
Noils, carbonized -----	43	472,475	BELGIUM, \$446,685; UNITED KINGDOM, \$21,563
Noils, not carbonized -----	42	1,938,988	UNITED KINGDOM, \$1,426,421; Australia, \$237,288; BELGIUM, \$177,051
Noils produced from wool free of duty under paragraph 1101, not carbonized -----	11	1,518	CHINA, \$1,391; Iraq, \$127
Thread or yarn waste -----	45	937,154	UNITED KINGDOM, \$578,324; France, \$172,948; Canada, \$102,647
Garnetted waste -----	37	69,491	BELGIUM, \$57,159; Canada, \$7,641; UNITED KINGDOM, \$4,691
Card or burr waste, carbonized -----	47	52,052	UNITED KINGDOM, \$40,187; BELGIUM, \$9,199
Card or burr waste, not carbonized -----	54	76,734	BELGIUM, \$44,789; UNITED KINGDOM, \$29,166
Flocks -----	21	119,798	UNITED KINGDOM, \$100,106; Netherlands, \$15,506
Wool wastes, n.s.p.f. -----	42	4,045	BELGIUM, \$3,225; UNITED KINGDOM, \$820

Source: Official statistics of the U. S. Department of Commerce.

Although the duties on wool wastes can be considered to some extent as independent of the duties on raw wool, any reduction in the waste duties should give due regard to changes in the wool duties, and be considered in connection with duties on articles manufactured from such materials.

41
WOOL RAGS AND SHODDY

(See related digests on noils and other wool mill wastes, par. 1105, and wool press cloth waste, par. 1105; also summary digest on apparel wool and manufactures thereof)

Stat. import classes (1939): 3553.8, 3553.9, 3554.0

United States production, exports, and imports, 1937-39 and 1943

Year	Pro-duction ^{1/}	Domestic exports	Imports for consumption from--				
			All countries	UNITED KINGDOM	Canada	France	Australia
	Quantity (1,000 pounds)						
1937	110,896	5,031	4,822	3,021	579	839	4
1938	n.a.	7,433	795	465	148	155	-
1939	101,697	9,119	8,421	6,166	996	636	68
1943	166,819	2,094	2,541	-	957	-	1,520
	Value (1,000 dollars)						
1937	Not avail-able	390	1,864	1,161	256	290	1
1938		530	262	158	53	43	-
1939		719	2,323	1,687	290	177	17
1943		139	1,176	-	420	-	733

1/ Consumption data as reported by the Bureau of the Census for various industries using rags and shoddy. Quantity for 1937 and 1943 partially estimated by the U. S. Tariff Commission.

Source: Official statistics of the U. S. Department of Commerce, except as noted.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate 1/ Cents per pound 2/	
Par. 1105			
Wool rags -----	18	9	UNITED KINGDOM
Shoddy, and wool extract -----	24	14	do.
Mungo -----	10	9	do.
1/ Trade agreement with the United Kingdom, effective January 1939.			
2/ The table at end of text shows the ad valorem equivalent of the duty in 1939.			

Comment

Wool rags vary widely in quality and price, depending on the type and color of the original fabric, and the grade of wool used. Old wool rags are obtained from used clothing, such as suits, dresses, sweaters, and stockings. New wool rags include clippings from the cutting tables of garment manufacturers and headings or short lengths cut from the ends of new pieces at the textile mills. Under the provisions of the Wool Products Labeling Act, effective July 15, 1941, fibers obtained from old wool rags are termed "reused wool," while fibers obtained from new wool rags are termed "reprocessed wool". All rags have to be reduced to a fibrous state, known as shoddy, before they are usable for remanufacture in woollen mills. It requires about 1-1/3 pounds of rags to produce 1 pound of shoddy.

Shoddy, as the term is generally used in this country, means any wool fiber reclaimed from wool rags; but, as used in the tariff act, it applies only to wool fiber recovered from soft woollen goods, such as knit underwear, stockings, sweaters, soft flannels, and dress goods. Mungo is wool fiber recovered from rags of goods which have been heavily fullered or felted, or made of hard-spun yarns, and is inferior in quality to shoddy. Wool extract is wool fiber extracted by carbonization from wool rags containing a mixture of cotton or other vegetable fiber.

WOOL RAGS AND SHODDY-Continued

Shoddy is an important raw material in the manufacture of medium and low-priced woolen goods such as overcoatings and suitings. It is seldom used alone, but is ordinarily blended with new wool or wool mill wastes. Shoddy and wool mill wastes partially supplement and partially compete with new wool. Because of their lower value they allow the use of wool fiber in garments and other products selling in a lower-priced field than those made from new wool, and to this extent compete with cotton, rayon staple fiber, and other relatively cheap fibers. In normal times shoddy and wool mill wastes furnish approximately half the raw materials used by the United States woolen-goods industry. They are also used in the knit goods, felt, and cotton industries. They are not used in the worsted-goods industry.

Rags are collected by dealers who sort, grade, and sell them to shoddy manufacturers or directly to woolen mills. If demand and price are strong, collection is large and many rags reach the mills; if the price is down, low-grade rags are not collected and consequently consumption is less. So, in a literal sense rags are not produced, they accumulate. They are either collected, or not collected, demand and price being the factors determining the quantity collected. Under a lower rate of duty, the collection of rags in the United States probably would be reduced.

Wool rags are a more important item in international commerce than the other articles covered in this report. Imports ^{into the United States} are principally rags from knit goods and fine flannels, which are not available in large quantities in this country.

The United Kingdom is the principal supplier of wool rags imported into the United States. The total quantity of imports was in the neighborhood of 20 million pounds a year in 1925-29, but under the Tariff Act of 1930, in which the statutory rate was increased from 7½ cents to 18 cents a pound, the average quantity (through 1938) was only about 2 million pounds annually. Imports increased to 8.1 million pounds in 1939, following reduction of the duty on rags to 9 cents a pound on January 1 of that year. For the 10 years 1931-40, imports of shoddy and wool extract amounted to only 15,325 pounds, valued at \$6,011; imports of rags were only 5,476 pounds, valued at \$1,001 for the same period. The table below indicates the relative position of sources of imports in 1939:

In the latest prewar years, the exports of rags from the United States exceeded imports in quantity, although not in value. The wool rags collected domestically are sorted into grades and those of the lowest quality, for which there is no market in this country, are exported. The exports therefore are generally of much lower grade than the imports. The unit value of exports in 1939 was less than one-third the unit value (foreign) of imports in that year. The principal foreign markets for exports were the United Kingdom, Japan, and Italy.

Wool rags and reclaimed wool fiber: United States imports for consumption, with ad valorem equivalent of the duty, by kind, with principal sources, 1939

Kind	: Ad valorem: : equivalent: : of the duty:	Total value	: Principal sources
	: Percent		
Wool rags -----	33	\$2,321,943	UNITED KINGDOM, \$1,686,229; Canada, \$289,627; France, \$176,982
Shoddy and wool extract ---	41	946	UNITED KINGDOM, \$946
Fungo -----	None		

Source: Official statistics of the U. S. Department of Commerce.

WOOL PRESS-CLOTH WASTE

(See related digest on wool rags and shoddy, Par. 1105)

Stat. import class (1939): 985.903

United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from--				
			All countries	France	UNITED KINGDOM	Nether-lands	Belgium
Quantity (1,000 pounds)							
1937	Not	Not	1,281	574	188	126	48
1938	avail-	avail-	1,039	342	299	160	97
1939	able <u>1/</u>	able <u>1/</u>	1,546	486	568	143	150
1943			<u>2/</u> 69	-	-	-	-
Value (1,000 dollars)							
1937	Not	Not	316	165	45	40	12
1938	avail-	avail-	172	64	39	30	17
1939	able <u>1/</u>	able <u>1/</u>	<u>2/</u> 268	91	86	30	29
1943			<u>2/</u> 16	-	-	-	-

1/ Probably negligible.2/ Includes 35 thousand pounds valued at 10 thousand dollars imported from Canada.

Source: Official statistics of the U. S. Department of Commerce.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate	
Par. 1105	Cents per pound		
Wool rags:			
Wool press-cloth waste -----	<u>1/</u> 18	<u>2/</u> 9	UNITED KINGDOM

1/ Prior to November 1944 wool press-cloth waste was classified as "waste, not specially provided for" under paragraph 1555, at the rate of 10 percent ad valorem (reduced to $7\frac{1}{2}$ percent ad valorem pursuant to the trade agreement with the United Kingdom, effective January 1939). The classification of wool press-cloth waste was changed in November 1944, and since that date the commodity has been treated for customs purposes as "wool rags" under paragraph 1105. (See T.D. 51138)

2/ Trade agreement with the United Kingdom, effective January 1939.

Note.-- If the present duty of 9 cents per pound on wool press-cloth waste had been in effect in 1939, it would have been equivalent to 52 percent ad valorem, as against the rate of $7\frac{1}{2}$ percent ad valorem actually in effect in 1939 under paragraph 1555.

Comment

Wool press-cloth waste consists of scraps or pieces of worn out press cloth. Press cloth, from which the waste is obtained, is widely used abroad in extracting oil from seeds; it is made of wool, human hair, and other fibers, but United States imports of waste have been from press cloth of wool. The waste is used almost entirely for making yarn which is woven into blankets and coatings.

During the period for which statistics are shown above wool press-cloth waste was classified under par. 1555, and, therefore, dutiable at 10 or $7\frac{1}{2}$ percent ad valorem. This rate was much less than the duty on wool rags (used for the same purpose) dutiable under par. 1105, and imports of press-cloth waste were fairly large. Effective November 1944, wool press cloth was classified by Treasury Decision as wool rags under par. 1105, and is now dutiable at 9 cents per pound.

WOOL PRESS-CLOTH WASTE--Continued

This rate of 9 cents per pound is much higher than the old rate of $7\frac{1}{2}$ percent ad valorem and, because of the lower unit value of press-cloth waste, the rate is higher in terms of ad valorem equivalents on such waste than on other wool rags.

The imports of wool press-cloth waste in the future will depend largely on the relationship of the rate on such waste to that on other wool rags. Unless excluded by specific mention, the rate will be the same as that on other wool rags, and whether or not that rate should be reduced, imports of wool press-cloth waste in the future would probably be materially smaller than before the war, when the rate on press cloth was much lower than that on other wool rags. It would, of course, be possible to reduce the duty on wool press-cloth waste, by specific mention, without reducing that on other wool rags, but other wool rags are a more important article of commerce than is wool press-cloth waste.

WOOL TOPS AND CARBONIZED WOOL

(See also summary digest on Apparel Wool and
Manufactures Thereof)Par. No. 1106
UNITED KINGDOM
AUSTRALIA
FRANCE

Stat. import classes (1939): 3541.0, 3560.0, 3560.1, 3560.2, and 3560.3

United States production, exports, and imports, 1937-39 and 1943

Year	Production ^{1/}	Domestic exports ^{2/}	Imports for consumption from—				
			All countries	UNITED KINGDOM	FRANCE	Belgium	AUSTRALIA
Quantity (pounds)							
1937	9,076,268	n.a. ^{3/}	252,674	68,847	182,926	-	-
1938	n.a.	n.a. ^{3/}	60,530	38,318	19,967	2,008	14
1939	6,398,161	n.a. ^{3/}	151,938	39,835	47,006	31,767	32,365
1943	n.a.	2,624,816	44,451,055	113,763	-	-	3,775,215
Value (dollars)							
1937	7,716,065	n.a.	215,428	93,677	121,312	-	-
1938	n.a.	n.a.	82,564	67,879	13,286	1,242	9
1939	5,228,470	n.a.	102,414	45,028	24,009	17,055	13,804
1943	n.a.	3,053,876	47,288,173	78,225	-	-	1,951,976

^{1/} Production of tops made for sale. Total United States production of tops amounted to 175,889,575 pounds in 1937 and 198,807,602 pounds in 1939. Consumption for the 12 months ended June 30, 1944 amounted to 245,099,000 pounds. Data on carbonized wool not available.

^{2/} Wool tops only. ^{3/} Negligible, if any, in prewar years.

^{4/} Free for Government use 373,276 pounds carbonized wool valued at \$173,312; also includes 2,630,052 pounds, valued at \$1,404,926 of carbonized wool, duty-free as an act of international courtesy, principally for storage by foreign governments.

Source: Official statistics of the U. S. Department of Commerce.

Item	United States tariff ^{1/}		Proposed negotiating country
	Act of 1930	1945 rate ^{2/} ^{3/}	
Par. 1106			
Wool, carbonized	37¢ lb. + 20% ad val.	37¢ lb. + 12½% ad val.	UNITED KINGDOM AUSTRALIA
Tops of camel hair	37¢ lb. + 20% ad val.	37¢ lb. + 12½% ad val.	UNITED KINGDOM
Tops of mohair	37¢ lb. + 20% ad val.	37¢ lb. + 12½% ad val.	do.
Tops of wool and other hair	37¢ lb. + 20% ad val.	37¢ lb. + 12½% ad val.	UNITED KINGDOM FRANCE
Other wool advanced beyond scouring, but not spun into yarn.	37¢ lb. + 20% ad val.	37¢ lb. + 12½% ad val.	UNITED KINGDOM

^{1/} The specific duty of 37 cents per pound is intended as compensator for the duty on raw wool.

^{2/} Table at end of text shows the ad valorem equivalents and the specific equivalents of the duty in 1939.

^{3/} Trade agreement with United Kingdom, effective January 1939.

WOOL TOPS AND CARBONIZED WOOL - Continued

Comment

Paragraph 1106 includes wool or hair, of the sheep, camel, Angora goat, and other like animals, advanced beyond the washed or scoured condition but not yet spun into yarn; it also includes carbonized wool. Wool top is ordinarily the only item of commercial importance, although during the war considerable quantities of carbonized wool were entered duty-free for Government use.

Wool top is combed wool sliver from which the shorter fibers (noils) have been removed by the combing process. Commercial tops usually range from 4 to 9 ounces per 10 yards and are wound into balls ranging from 5 to 15 pounds in weight. Top, an intermediate product in making worsted yarn, is marketed in recognized grades, identical with the grades of wool from which made; it is easily transported and enters extensively into national and international commerce.

Approximately 75 percent of the top-making machinery in the United States is located in integrated mills, which make more advanced products from the tops. Of the top produced in 1939 only 3 percent was reported as made for sale, about 44 percent was combed on commission, and the remaining 53 percent was made for their own account by the mills in which it was consumed. In the foreign countries, from which most imports were received, top is made principally for sale or on commission, in highly specialized top-making mills.

United States imports through the period 1930-38 were a small fraction of 1 percent of total consumption. In 1937 imports were equal (in quantity) to about 2.3 percent of domestic production made for sale. Prewar imports were not comparable with the bulk of domestic production and were confined to top of a high grade and value, or top of a fiber not ordinarily used in this country, such as camel hair and alpaca. The United Kingdom, France, and Belgium customarily were the principal foreign suppliers. In 1940 and 1941 when imports from these sources were either difficult or impossible, most of the imports were received from Japan. There is a considerable international trade in wool top of which the imports into the United States have represented only a small part. France, Germany, and the United Kingdom have been both the principal exporters and the principal importers. Much of the imports of each of these countries have been of products relatively similar to those exported by them, and to a certain extent this international trade can be compared with the United States internal trade.

Market quotations for a selected grade (representative of both domestic and foreign production) give an indication of the relationship between domestic and foreign prices. For the 6 years 1933-1938 the average price, in Boston, of 64s top combed in this country from foreign wool was \$1.10 a pound, as compared with \$0.61 in Bradford, England, for the identical grade manufactured there. The difference between the two prices, 49 cents a pound, was approximately the same as the United States duty on this grade, but additional charges for shipping increased the delivered price of the foreign top to the extent that there were practically no imports of this grade or of other grades competitive with the bulk of domestic production. In 1939, as the result of a decline in the foreign price of top of this grade, the difference increased to 52 cents a pound. Although this greater spread was accompanied by a reduction in the United States duty on January 1, 1939, it did not result in much change in the volume of imports in that year, chiefly because of abnormal market conditions abroad associated with the preparation for war. An additional reason is a lag that occurs (especially because of futures buying) in the response of the market to changes in price relationships.

Assuming that the specific part of the duty on top is fairly closely compensatory for the duty on raw apparel wool and that any change which is hereafter made in the duty on wool will be accompanied by a corresponding change in the specific part of the duty on top, the proportion of our total requirements for foreign wool in the postwar period which will be supplied by top will depend on the ad valorem part of the duty on top.

WOOL TOPS AND CARBONIZED WOOL - Continued

The table below indicates the relative position of sources of imports in 1939. There is also shown the specific equivalent, and ad valorem equivalent of the duty for that year. As the specific duty of 37 cents a pound is compensatory for the duty on raw wool, the protective duty of 12½ percent was equivalent to 5 to 10 cents a pound in 1939.

Wool tops and carbonized wool: United States imports
for consumption, with ad valorem and specific equi-
valents of duty, by kind, by principal sources,

Kind	Specific	Ad valorem	Total	Principal sources
	equivalent	equivalent		
	of the duty	of the duty	value	
	Per lb.	Percent		
Wool, carbonized -----	42¢	97	\$16,632	AUSTRALIA, \$13,804; Belgium, \$2,661; UNITED KINGDOM, \$167.
Tops of camel hair -----	-	-	None	--
Tops of mohair -----	45¢	69	10,218	UNITED KINGDOM, \$10,218.
Tops of wool and other hair.	47¢	59	67,867	UNITED KINGDOM, \$32,645; FRANCE, \$23,866; Belgium, \$8,856.
Other wool advanced ---	44¢	77	7,697	Belgium, \$5,538; UNITED KINGDOM, \$1,998.

Source: Official statistics of the U. S. Department of Commerce.

WOOL YARNS, EXCEPT YARN IN CHIEF VALUE OF ANGORA RABBIT HAIR
(See also summary digest on apparel wool and manufactures thereof)

Stat. import classes (1939): 3570.3, 3570.4, 3570.5, 3570.6, 3574.3, 3574.4,
3574.5, 3574.6

United States production, exports, and imports, 1937-39 and 1943

Year	Production ^{1/}	Domestic exports	Imports for consumption from--				
			All countries	UNITED KINGDOM	Japan	France	Belgium
	Quantity (1,000 pounds)						
1937	75,355	16	321	188	7	49	2
1938	n.a.	11	357	219	6	41	1
1939	77,194	70	572	370	68	50	40
1943	n.a.	2,887	2/ 795	380	-	1	-
	Value (1,000 dollars)						
1937	98,766	24	323	184	6	55	2
1938	n.a.	18	317	186	4	41	1
1939	86,293	72	458	285	46	44	35
1943	n.a.	4,015	2/ 1,095	553	-	1	-

1/ Production of yarn made for sale. Total United States production of wool and related hair yarn amounted to 463,441 thousand pounds in 1937, 486,943 thousand pounds in 1939, and 876,417 thousand pounds for the 12 months ended June 30, 1944. The 1944 amount is partially estimated by the Tariff Commission. Data do not include wool carpet yarn.

2/ Includes 237 thousand pounds valued at 326 thousand dollars imported from Argentina, and 118 thousand pounds valued at 108 thousand dollars imported from Uruguay.

Source: Official statistics of the U. S. Department of Commerce, except as noted.

Item	United States tariff 1/2/		Proposed negotiating country
	Act of 1930	1945 rate 3/	
Per. 1107			
Yarns of wool other than of			
Angora rabbit hair:			
Valued not over 60¢ lb. ---	40¢ lb. + 35% ad val.	30¢ lb. + 30% ad val.	UNITED KINGDOM
Valued over 60¢, not			
over \$1 lb. -----	40¢ lb. + 35% ad val.	36¢ lb. + 30% ad val.	do.
Valued over \$1, not over			
\$1.50 lb. -----	40¢ lb. + 45% ad val.	40¢ lb. + 30% ad val.	do.
Valued over \$1.50 lb. ---	40¢ lb. + 50% ad val.	40¢ lb. + 30% ad val.	do.

1/ The specific portion of the duties (30, 36, and 40 cents per pound) is intended as compensatory for the duty on raw material.

2/ Table at end of text shows the ad valorem and specific equivalents of the duty in 1939.

3/ Trade agreement with the United Kingdom, effective January 1939.

WOOL YARNS, EXCEPT YARN IN CHIEF VALUE OF ANGORA RABBIT HAIR-Continued

Comments

There are two general systems of manufacturing wool yarn; the woollen system and the worsted system. Woollen yarn is spun directly from carded sliver; worsted yarn is spun from combed sliver (top) and, being a more standardized product, is much more an article of commerce than woollen yarn. Worsted yarn is sold by count (size) and grade, the latter indicating the grade of wool from which the yarn is made.

Almost all of the woollen yarn and about 60 percent of the worsted yarn spun in the United States is produced by integrated mills which weave it into cloth on their own looms. The yarn manufactured for sale is produced both by certain of the large integrated mills, and by concerns engaged exclusively in producing yarn. It is sold in about equal amounts to worsted-cloth manufacturers and the knit goods industry.

Most of the imports have been from the United Kingdom and have consisted of yarns of high grade, or of types not ordinarily produced in this country. On ordinary weaving yarns (such as 2/40s, half-blood, for which domestic and foreign prices are given below) the duty in the tariff act of 1930 was too high to permit imports to compete in this market. In 1939, when the duty was reduced, this situation was altered to some extent, and the average grade of imports under this classification became lower. The quantity of imports in 1939 was considerably greater than in preceding years (although still constituting less than 1 percent of the consumption), and it would doubtless have increased more except for abnormal market conditions in Europe resulting from the preparation for war.

Table I.- Worsted yarn: Prices quoted in Bradford, England, and Boston, Massachusetts for yarn of comparable grade and count, 1935-1939

(Boston -- 2/40s Half-blood; Bradford--2/40s 60/64s)

Year and month	Foreign yarn, Bradford, England			Domestic yarn Boston, Massachusetts
	Bradford	Calculated	Price plus	
	price	duty	calculated	
	Per pound	Per pound	Per pound	Per pound
1935:				
Jan. --	\$0.73	\$0.66	\$1.39	\$1.30
July --	.85	.70	1.55	1.42
1936:				
Jan. --	.88	.71	1.59	1.53
July --	.89	.71	1.60	1.50
1937:				
Jan. --	1.02	.86	1.88	1.83
July --	1.01	.85	1.86	1.82
1938:				
Jan. --	.82	.69	1.51	1.49
July --	.76	.67	1.43	1.43
1939:				
Jan. --	.70	.57	1.27	1.31
July --	.72	.58	1.30	1.35

Source: Boston prices, Bureau of Labor Statistics, U. S. Department of Labor. Bradford prices, Wool Record and Textile World; converted to United States currency at prevailing rate.

WOOL YARNS, EXCEPT YARN IN CHIEF VALUE OF ANGORA RABBIT HAIR--Continued

In 1940 the United Kingdom continued to supply most of the imports but Japan for the first time became an important secondary supplier, the imports from that country amounting to 190,000 pounds valued at \$154,000, or about one-third of the total quantity. Imports from Japan had a lower value per pound than other imports and were directly competitive with domestic production of the finer count weaving yarns.

As indicated in the Summary Statement on Wool and Manufactures, the specific portion of the duty on yarn was originally fixed under the act of 1930 with a view to being generally compensatory for the duty on raw material. In the trade agreement with the United Kingdom, effective January 1939 the specific rate on yarn valued less than \$1 per pound was reduced, on the theory that the lower-valued yarns frequently contained other materials than virgin wool and that therefore the 40-cent specific rate (the specific rate originally fixed for all wool yarns in the Tariff Act of 1930) was more than compensatory for the duty on raw materials with respect to much of the cheaper yarns while it was not so with respect to the more expensive yarns. Under the original rates of the Tariff Act of 1930 little of the cheaper types of yarns had been imported. Under the trade agreement rates, as already noted, there was a substantial increase in imports and a decrease in the average unit value of the yarns imported. With the increase in the prices of wool that has occurred during the war, however, most yarns of the character which before the war were eligible for entry under the reduced specific rates would now be higher-priced and dutiable at the 40-cent rate. This will continue to be the case unless there is a substantial decline in the price of wool from present levels.

With uncertainties as to the course of the price of wool and the consequent uncertainties as to the value classifications in which particular types of yarn will fall in the future, it does not appear feasible to attempt to bring the specific portions of the duty into closer accord with the compensatory idea by adjustment of rates on yarns in particular value brackets. In fact, if the compensatory feature of the tariff duties on wool and wool products is to be preserved it would be appropriate to maintain the present relationships between the specific portion of the duties on yarn and the duty on raw wool.

In the trade agreement with the United Kingdom effective January 1939 the ad valorem rates on wool yarns were reduced--from 35 percent in the case of yarns valued not over \$1 per pound and from 45 and 50 percent in the case of yarns of higher value--to a uniform rate of 30 percent. These reductions were accompanied by the reduction (discussed in the preceding digest) from 20 to 12½ percent in the ad valorem rate on wool top. Thus the encouragement of the imports of yarn afforded by the reduction in the ad valorem duty on yarns was partially offset by the encouragement of the domestic production of yarn from imported top. Nevertheless the reduction in the ad valorem rates in the agreement with the United Kingdom no doubt did lessen the protection afforded by the original rates of the Tariff Act of 1930 on the domestic conversion of top to yarn.

WOOL YARNS, EXCEPT YARN IN CHIEF VALUE OF ANGORA RABBIT HAIR-Continued.

Table II. Wool yarn: United States imports for consumption, and specific and ad valorem equivalents of the duty, by kind, by principal sources, 1939

Kind	: Specific : equivalent : of the duty	: ad valorem : equivalent : of the duty	: Total : value	: Principal source
	: Per lb.	: Percent	:	:
Mohair:	:	:	:	:
Not over 60¢ per lb. --:	-	-	: None	:
Over 60¢, not over \$1	:	:	:	:
per lb. -----:	\$0.59	77	: \$1,320: UNITED KINGDOM \$1,320	:
Over \$1, not over \$1.50:	:	:	:	:
per lb. -----:	.79	61	: 7,073: UNITED KINGDOM \$7,073	:
Over \$1.50 per lb. ----:	-	-	: None	:
Wool and other hair:	:	:	:	:
Not over 60¢ per lb. --:	.45	91	: 104,731: UNITED KINGDOM \$82,184;	:
	:	:	: : Japan \$16,235; France	:
	:	:	: : \$4,052	:
Over 60¢, not over \$1	:	:	:	:
per lb. -----:	.60	77	: 180,007: UNITED KINGDOM \$93,944;	:
	:	:	: : Belgium \$30,296; Japan	:
	:	:	: : \$24,491	:
Over \$1, not over \$1.50:	:	:	:	:
per lb. -----:	.77	64	: 116,770: UNITED KINGDOM \$63,495;	:
	:	:	: : Switzerland \$22,609;	:
	:	:	: : France \$20,117	:
Over \$1.50 per lb. ----:	1.02	50	: 48,162: UNITED KINGDOM \$37,280;	:
	:	:	: : Japan \$4,359; Switzerland	:
	:	:	: : \$2,413	:

Source Official statistics of the U. S. Department of Commerce

YARNS WHOLLY OF IN CHIEF VALUE OF ANGORA RABBIT HAIR

Stat. import classes (1939): 3573.4, 3573.6, 3573.8

United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from--				
			All countries	FRANCE	United Kingdom	Belgium	Canada
	Quantity (pounds)						
1937	Not	Not	20,924	12,640	5,404	111	2,249
1938	avail-	avail-	97,996	71,984	23,161	2,243	399
1939			79,714	68,207	7,669	3,347	83
1943	able <u>1</u> /	able <u>2</u> /	4	-	-	-	4
	Value (dollars)						
1937	Not	Not	91,349	54,521	28,979	715	6,765
1938	avail-	avail-	515,179	352,573	147,018	13,870	1,023
1939			505,987	442,492	49,270	12,398	226
1943	able <u>1</u> /	able <u>2</u> /	15	-	-	-	15

1/ Apparent consumption (imports plus production) of Angora rabbit hair in the United States in the period 1937-39 averaged about 125,000 pounds annually. Since the hair is blended with other fibers in making yarn, total domestic production of yarn would amount to considerably more. See text.

2/ Probably none.

Source: Official statistics of the U. S. Department of Commerce.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate 1/	
Par. 1107			
Yarn wholly or in chief value of Angora rabbit hair: 2/			
Valued at not more than \$1 per pound -----	40¢ lb.+ 35% ad val.	40¢ lb. + 25% ad val.	FRANCE
Valued at more than \$1, not more than \$1.50 per pound -----	40¢ lb. + 45% ad val.	40¢ lb. + 25% ad val.	do.
Valued at more than \$1.50 per pound -----	40¢ lb. + 50% ad val.	40¢ lb. + 25% ad val.	do.

1/ Trade agreement with France, effective June 1936.

2/ The specific portion of the duty is compensatory for the duty on wool.

Note.-- The ad valorem equivalent of the compound duties amounted to 34 percent in 1937; 32 percent in 1938; and 31 percent in 1943.

YARNS WHOLLY OR IN CHIEF VALUE OF ANGORA RABBIT HAIR--Continued

Before the war imports of Angora rabbit hair yarns consisted almost entirely of knitting yarns. These yarns were sold for hand-knitting into articles such as gloves, scarfs, and berets, and for edgings or trimming material for children's garments. The yarns were also employed on knitting machines in the manufacture of high-priced knit outerwear, largely for infants. They contained from 40 to 90 percent or more, but usually 40 to about 60 percent, of Angora rabbit hair, but this was blended with fine wools, rayon, or silk in order to obtain a strand strong enough to withstand even the comparatively limited strain of machine knitting. There has been practically no domestic production of these knitting yarns.

Since about 1932 imports and domestic production of Angora rabbit hair have been used by American wool textile mills for spinning weaving yarns. Before that time practically all the United States consumption of Angora rabbit hair yarns for weaving as well as for knitting was supplied by imports. The Angora rabbit hair weaving yarns rarely contain more than 10 percent of the Angora rabbit hair in order that they may be made strong enough to stand the strain of weaving, and, therefore, they possess much greater tensile strength than the imported knitting yarns. These domestically produced yarns were used in woven fabrics to obtain effects which could not be obtained from wool alone. (See digest on Angora rabbit hair p. 36.)

The volume of imports depends largely upon the prevailing styles of the articles made from the imported yarns rather than upon business conditions and the price. Although the duty was reduced in June 1936, imports in that year and in 1937 were less than in 1935. They later increased considerably, however, and in 1938 and 1939 exceeded the amount in any previous 2-year period.

Stat. import classes (1939): 3601.0-3606.9 (27 classes)

Table 1.- United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from—				
			All countries	UNITED KINGDOM	France	Italy	BELGIUM
Quantity (1,000 pounds)							
1923	344,155	1,032	1/ 11,472	9,616	903	2	95
1925	292,368	547	1/ 10,594	8,064	938	132	230
1927	269,998	439	1/ 11,252	8,656	930	9	219
1929	269,591	469	9,852	7,609	572	16	201
1931	193,605	201	2,637	1,999	304	1	55
1933	225,874	92	2,774	2,399	229	1	23
1935	304,442	289	3,129	2,805	167	2/	37
1937	314,228	216	5,604	4,557	189	412	73
1938	n.a.	253	3,400	2,648	178	351	76
1939	308,947	310	6,626	5,680	337	219	104
1943	3/ 442,804	4/ 30,721	5/ 2,497	2,090	—	—	1
Value (1,000 dollars; values of import are foreign values)							
1923	700,202	2,347	1/ 21,247	17,408	2,128	6	162
1925	611,719	1,133	1/ 22,002	16,639	2,490	181	378
1927	516,723	897	1/ 22,490	16,893	2,803	15	387
1929	485,092	933	19,526	14,989	1,928	14	377
1931	294,065	431	4,898	3,472	870	3	108
1933	270,974	129	3,910	3,168	524	2	47
1935	401,165	339	4,854	4,160	450	1	66
1937	460,628	374	9,059	7,390	480	493	126
1938	n.a.	398	5,191	4,071	347	404	123
1939	408,541	440	8,801	7,409	570	302	174
1943	n.a.	4/ 53,517	5/ 5,585	4,663	—	2/	2

1/ General imports.

2/ Less than 500.

3/ Estimated.

4/ Includes 29,965 thousand pounds, valued at 52,201 thousand dollars exported under lend-lease, principally to the Soviet Union.

5/ Includes 55 thousand pounds, valued at 102 thousand dollars imported duty-free as an act of international courtesy.

Source: Official statistics of the U. S. Department of Commerce, except as noted.

WOOLENS AND WORSTEDS-Continued

<u>Item</u>	<u>United States tariff</u>			<u>Proposed</u> <u>negotiating</u> <u>country</u>
	<u>Act of</u> <u>1922</u>	<u>Act of</u> <u>1930</u>	<u>1945</u> <u>rate</u> 1/	
Par. 1108				
Woven wool fabrics weighing not over 4 ounces per square yard: Without warp of cotton:				
Valued not more than \$1.25 per lb. -----	( (	50¢ lb. + 50%	50¢ lb. + 37½%	UNITED KINGDOM
Valued over \$1.25, not over \$2 per lb. -----	((37¢ or 45¢ 2/ 1b. + 50%	50¢ lb. + 55%	50¢ lb. + 37½%	do.
Valued over \$2 per lb. -----	( (	50¢ lb. + 60%	50¢ lb. + 37½%	do.
With warp of cotton:				
Valued not more than \$1 per lb. -----	( (	40¢ lb. + 50%	40¢ lb. + 37½%	do.
Valued over \$1.00, not over \$1.50 per lb. -----	((36¢ lb. + 50%	40¢ lb. + 55%	40¢ lb. + 37½%	do.
Valued over \$1.50 per lb. -----	( (	40¢ lb. + 60%	40¢ lb. + 37½%	do.
Par. 1109(a)				
Woven green billiard cloths, in the piece, weighing more than 11 ounces but not more than 15 ounces per square yard, wholly of wool -----	( ( (	50¢ lb. + 55 or 60%	50¢ lb. + 40%	BELGIUM
Woolens and worsteds weighing over 4 ounces per square yard:	(
Valued not more than 80¢ per lb.	( (	50¢ lb. + 50%	40¢ lb. + 45%	UNITED KINGDOM
Valued over 80¢, not over \$1.25 per lb. -----	(24, 37 or (45¢ 2/ 1b. + 40 or 50%	50¢ lb. % 50%	50¢ lb. + 40%	do.
Valued over \$1.25, not over \$2 per lb. -----	( (	50¢ lb. + 55%	50¢ lb. + 40%	do.
Valued over \$2 per lb. -----	( (	50¢ lb. + 60%	50¢ lb. + 35%	do.

1/ The 1945 rates of duty were effective January 1939 pursuant to the Trade Agreement with the United Kingdom, except for woven green billiard cloths which were reduced in the Trade Agreement with Belgium effective May 1935.

2/ The 45 cent specific rate which under the act of 1922 applied to wool fabrics (other than those with cotton warp) valued at more than 80 cents per pound was assessed on the wool content of the fabric. For all other classifications under the act of 1922 and for all classifications under the act of 1930 the specific portions of the duties apply to the full weight of the fabric.

Note.- The specific portion of the duty (40 cents or 50 cents per pound) is intended to compensate for the duty on raw wool. The compound duties on total imports were equivalent to 88 percent ad valorem in 1938, 75 percent in 1939, and 59 percent in 1943. These percentages are computed on the total value of the imports, including the value of the materials. Detail for individual classifications in 1939 is given in the table at the end of the comment.

WOOLENS AND WORSTEDS-Continued

Comment

This digest covers woven fabrics of wool other than blankets, pile fabrics, upholstery goods, and felts. The fabrics included are mostly for apparel, and constitute by far the bulk of the output of the woolen and worsted industry.

Structure of present duties

Under the Tariff Act of 1930 the fabrics here under consideration have been dutiable under paragraphs 1108 and 1109(a). ^{1/} Paragraph 1108 covers fabrics weighing not more than 4 ounces per square yard, and paragraph 1109(a) covers fabrics weighing more than 4 ounces per square yard. Fabrics weighing not more than 4 ounces per square yard were divided into two classifications, depending on whether or not they were made with cotton warp. Each of the classifications thus created was subdivided on the basis of three value brackets.

In the trade agreement with Belgium, effective May 1935, a separate classification was created under paragraph 1109(a) for woven green billiard cloth in the piece, weighing more than 11 ounces but not more than 15 ounces per square yard, wholly of wool. Such cloths were relatively unimportant in both domestic production and imports and are one of the few and unimportant types of non-apparel fabrics covered in this digest.

The specific portion of the duties on woolen and worsted fabrics originally provided for by the Tariff Act of 1930 was uniformly 50 cents per pound, regardless of value bracket, except on fabrics weighing not more than 4 ounces per square yard and having cotton warp. On these latter fabrics the specific rate was 40 cents per pound because that was considered sufficient to compensate for the duty on the wool contained.

With respect not only to woolen and worsted fabrics but also to various other manufactures of wool, the problem of specific compensatory duties is complicated by the fact that in certain grades materials other than wool are used and that in these or other grades some of the wool used is not virgin wool but is recovered from rags and other wastes. Great technical difficulty would be involved in adjusting the compensatory rates to take account even of the major differences among the manufactured products with respect to the materials contained. The fact that by the trade agreement with the United Kingdom in 1939 duties on wool rags and other wool wastes were reduced while the duty on apparel wool remained unchanged probably has the result that the specific duties on various articles containing these materials are more than compensatory. The only class of woolen and worsted fabrics in which a change in the specific part of the duty has been made by trade agreement is the class weighing 4 ounces or more per yard and valued at less than 80 cents per pound.

Even with respect to those fabrics and other wool manufactures which consist entirely of virgin raw wool, the specific portions of the compound duties are at times more than compensatory for the duty on wool. The specific duties are based on the assumption that the raw wool duty is fully reflected in differences between prices of virgin wool here and abroad. Often this is not the case, and at such times the compensatories afford an additional element of protection to the manufacturers. It is necessary to point this out, not as suggesting that there is

^{1/} Felts, belts, blankets, jackets, or other articles of machine clothing, for paper-making, printing, or other machines, when woven, wholly or in chief value of wool, as units or in the piece, finished or unfinished, were provided for in paragraph 1109(b) but at the rates specified in paragraph 1109(a). Similarly, tapestries and upholstery goods (not including pile fabrics) in the piece or otherwise, wholly or in chief value of wool were provided for in paragraph 1119 but subject to the rates applicable to fabrics provided for in paragraphs 1108 and 1109. The fabrics covered by paragraphs 1109(b) and 1119, as well as several other types of fabrics such as blankets and pile fabrics, are dealt with in separate digests.

WOOLENS AND WORSTEDS-Continued

need to revise the basis on which the compensatory duty is calculated, but in order to indicate that the protection accorded to the domestic manufacturer is not always limited to that yielded by the ad valorem rate but is also increased, at times and in varying amounts by the over compensation afforded by the specific rate.

Under the Tariff Act of 1930 the ad valorem portions of the compound duties on the fabrics here under consideration were originally fixed at 50 to 60 percent, the higher ad valorem rates applying to the higher-valued fabrics. On fabrics weighing not over 4 ounces per square yard and dutiable under paragraph 1108, the ad valorem rates were reduced to a uniform rate of $37\frac{1}{2}$ percent in the trade agreement with the United Kingdom, effective January 1939. Such fabrics have been much less important in United States imports than those weighing over 4 ounces per square yard. It is to the rates under paragraph 1109(a), therefore, and the 1939 adjustment in them, to which major attention should be given. With respect to these, attention has already been called to the reduction in the specific rate on fabrics valued at not more than 80 cents per pound from 50 cents to 40 cents per pound. In addition, the ad valorem rates on all value brackets were reduced, the greatest reductions being made on the highest value bracket, with the result that the ad valorem rates under paragraph 1109(a) are now graduated in the reverse direction from the original rates of the 1930 tariff act. The highest ad valorem rate is now 45 percent on fabrics valued not more than 80 cents per pound; the lowest, 35 percent, on fabrics valued over \$2.00 per pound; with a rate of 40 percent on the two intermediate value classifications. This change was agreed to on the assumption that the higher-valued imported fabrics were less competitive with the bulk of domestic production than the lower-valued imports. The imports in the highest value brackets had generally had a landed value higher than the selling price of the most nearly comparable domestic fabrics.

The United States and British woolen and worsted industries

The production of woollens and worsteds in the United States exceeds that in any other country. In prewar years it amounted to about 20 percent of total world production. The United Kingdom is the largest foreign producer, and the world's largest exporter; it supplies most of our imports.

In the British industry the number of combs, spindles, and looms is greater and there are more employees than in the United States but the production of fabric is less. Some of the difference in output per machine and per man results from the fact that in the United Kingdom there is a relatively large production of wool semi-manufactures not used in the manufacture of cloth, but either exported or consumed in the knit goods industry. Part of the difference in production, however, results from difference between the two countries in the proportion of automatic looms.

In the 1920's and 1930's the growing use of automatic broadlooms in the United States increased the output of fabric per loom and reduced the amount of labor required in weaving. One weaver can attend only 1 or 2 nonautomatic looms but can attend as many as 4 to 6 automatic looms working on woollens and as many as 6 to 12 working on worsteds. About 50 percent of the woolen and worsted looms in the United States in 1937 were automatic broadlooms, and the proportion had increased in 1943 to 70 percent. It has been estimated that only 10 to 15 percent of the looms in the British industry are automatic.

Statistics of the woolen and worsted industry in the United Kingdom and the United States are given for 1937 in table 2. It will be noted that the average value of fabric produced was \$0.89 a pound in the United Kingdom as compared with \$1.47 a pound in the United States, a difference partly due to the fact that raw

WOOLENS AND WORSTEDS--Continued

Wool is free in the United Kingdom and dutiable in the United States. The data indicate considerable differences in the output per worker in the United Kingdom and the United States, which reduce somewhat the differences in conversion cost which would otherwise have resulted from the differences in wage rates (given in table 3). Available information, however, does not permit even general conclusions as to the average level of costs of conversion in the two countries. Even if precisely accurate figures for average conversion costs were available, there are limitations on the conclusions that could be drawn from a comparison of the differences disclosed with the duties applicable to imports into the United States. In the first place, since the ad valorem rates of duty are applicable to the total foreign values of imported fabrics (including costs of raw material and costs of conversion), the ratios of the ad valorem rates to the costs of conversion vary with changes in the proportion of total values of fabrics accounted for by costs of raw material. In the second place, it may be noted that the relative cost of production in the United States and the United Kingdom varies greatly for different fabrics. In fabrics produced in small quantities, it is probable that the efficiency of United Kingdom mills does not differ greatly from that of United States mills, so that with respect to such fabrics the differences in costs of conversion would more nearly approximate the differences in hourly wage rates than with respect to fabrics produced on a mass production basis.

Table 2.- The woolen and worsted industry in the United Kingdom and the United States: Comparative statistics, 1937

Item	Unit	United Kingdom	United States
Wage earners (average for the year) ^{1/}	Number	2/ 211,351	159,277
Worsted combs ^{1/}	Number	3/ 2,519	2,800
Spindles ^{1/}	Thousand	3/ 5,600	4,167
Woolen	Thousand	3/ 2,600	1,880
Worsted	Thousand	3/ 3,000	2,287
Looms	Number	2/ 98,000	53,281
Cost of materials ^{1/}	1,000 dollars	2/ 449,561	515,356
Cost of fuel and electricity ^{1/}	1,000 dollars	4/ 10,630	17,462
Gross output ^{1/}	1,000 dollars	697,712	826,802
Production of wool yarn	1,000 pounds	2/ 509,165	464,714
Production of wool fabric	(1,000 pounds	283,808	314,228
	(1,000 square yards	439,217	498,312
	(1,000 dollars	252,381	460,628
Exports:			
Wool tops	1,000 pounds	40,181	4/
Wool yarn	1,000 pounds	41,379	16
Wool fabric	(1,000 pounds	71,280	5/ 204
	(1,000 square yards	129,043	5/ 259
	(1,000 dollars	100,224	5/ 355
Imports (for consumption):			
Wool tops	1,000 pounds	428	247
Wool yarn	1,000 pounds	2,642	342
Wool fabric	(1,000 pounds	3,247	5,604
	(1,000 square yards	8,347	9,832
	(1,000 dollars	4,334	9,059
Average weight of wool fabric:			
Production	Ounces per sq. yd.	10.3	10.1
Exports	Ounces per sq. yd.	8.8	12.6
Imports	Ounces per sq. yd.	6.2	9.1
Average value of wool fabric:			
Production	Per pound	\$0.89	\$1.47
Exports	Per pound	1.41	1.74
Imports	Per pound	1.33	1.62

^{1/} Data are given for the industry as a whole, and include those employed in the production of partially manufactured products, blankets, pile fabrics and other articles not shown in this table.

^{2/} Adjusted to eliminate carpet manufacture (estimated as 10 percent of the total).

^{3/} Statistics all for 1938; Bulletin of the National Association of Wool Manufacturers.

^{4/} Not available; small if any.

^{5/} Does not include 12,724 pounds valued at \$19,067, for which the quantity is not reported in square yards.

Source: United Kingdom, Board of Trade, Import Duties Act Inquiry, 1937 and Annual Statement of Trade with Foreign Countries, except as noted; United States, official statistics of the U. S. Department of Commerce.

Wage rates in the United Kingdom and the United States are given in table 3. In both countries, the increase in hourly rates between October 1938 and January 1946, was marked, amounting to 60 percent in the United Kingdom, and to 74 percent in the United States. The smaller relative increase in the United Kingdom results from the depreciation of the pound sterling. In terms of pence the rate in that country increased from 10.3 to 19.2 per hour or 86 percent.

WOOLENS AND WORSTEDS-Continued

Table 3.- The woolen and worsted industry: Average wages and hours of employment for workers in the United Kingdom and the United States in October 1938, January 1944 and January 1946

Country and period	Average weekly earnings	Average weekly hours	Average hourly earnings
United Kingdom:			
October 1938 -----	\$9.30	46	\$0.20
January 1944 -----	10.03	47	.28
January 1946 -----	14.72	46	.32
United States:			
October 1938 -----	18.75	36	.53
January 1944 -----	34.96	42	.83
January 1946 -----	38.52	42	.92

1/ Data given are for the last pay week in the month shown.

Source: Great Britain, The Ministry of Labour Gazette, August 1944 and July 1946. United States Bureau of Labor Statistics, Monthly Labor Review.

Note: Pounds sterling converted to dollars on the basis of £1 = \$4.7685 in October 1938, £1 = \$4.0350 in January 1944 and £1 = \$4.0338 in January 1946.

United States production

The woolen and worsted industry of the United States is located principally in the North Atlantic States, especially Massachusetts, Rhode Island, Pennsylvania, and New Jersey. It comprises some 700 mills owned by 500 to 550 firms. Most of these firms have a capitalization of less than 1 million dollars but several are large corporations, of which fewer than half a dozen account for about one-fourth of the output. In 1939 the total number of wage earners in the industry was 150,000, the amount of wages paid \$143,500,000 and the total value of products 736,000,000.

Activity in the industry reached a peak in 1923, when 344 million pounds of fabric were produced, but in later years it declined until, in 1931, the amount was barely 194 million pounds. From 1933 to 1939, although production recovered somewhat, it remained less than at the peak in the early 1920's. Imports have for many years constituted only a minor fraction of United States consumption and in the period above referred to the variations in the volume of imports were roughly similar to those in domestic production. Total consumption changed in substantially the same manner, imports being only a small factor. A number of reasons are given for the decline in consumption: the spread of central heating in houses, which reduced the need for warm clothing; the trend toward the use of fewer and lighter articles of dress; and the development of new rayon fabrics which could be styled as successfully as fabrics of silk or wool, and were much lower in price.

The unfavorable market conditions experienced by the United States industry before the war resulted in an almost continuous decline in the number of worsted combs and woolen and worsted spindles and looms, so that in 1939 most such units of equipment were fewer by 25 or 30 percent than in 1925.

During the war, a very great increase occurred in the demand for woollens and worsteds as the result of military orders. In several years these orders were at the rate of 250 million linear yards (about 235 million pounds) a year, and were not far less than total consumption of woollens and worsteds in peacetime. To meet the additional requirements, the industry increased the number of wage-earners

WOOLENS AND WORSTEDS--Continued

from 150,000 to a peak of 185,000, and operated generally upon two shifts instead of one. Little if any increase in physical plant and equipment occurred during the war.

The level of domestic production was sufficient, during most war years, to prevent any serious stringency in civilian supplies, despite the volume of military orders. In 1945, however, supplies became critically short, and many articles of wool apparel became virtually unobtainable. This resulted primarily from the growing shortage of labor, the unexpected increase in military orders early in the year, and the heavy purchases of wool clothing by service men and women returning to civilian life. By the beginning of 1946, the shortage of labor had eased to some extent, and output of fabric (practically all for civilian use) was at the rate of 425 million linear yards (about 400 million pounds) a year, or 25 to 30 percent greater than in 1939. The depletion of inventories, however, and the heavy demand for wool clothing made it unlikely that normal supply conditions would be restored before the end of the year.

Imports

Imports of woolen and worsted fabrics during the prewar decade supplied a very small portion (in most years less than 2 percent on the basis of both quantity and value) of total consumption in the United States. The imports consisted chiefly of English woollens which by reason of quality, style considerations, and the prestige of their origin, were able to command a price higher than the average for similar fabrics manufactured in the United States. A moderate proportion of the imports consisted of very high-priced English worsted suitings over 4 ounces per square yard. A small proportion consisted of light-weight fabrics not over 4 ounces per square yard. The latter were largely wool crepes for women's dresses. Another smaller part of the imports consisted of woven green billiard cloths, a Belgian specialty.

There is a considerable preference for British fabrics on the part of many United States consumers of certain types of high-quality fabrics. This preference is based on the long-standing reputation for quality of the British goods. A limited number of United States mills produce fabrics equal in quality to the imports from the United Kingdom in texture, design, color, and finish. The production of such fabrics, however, is not appropriate to the methods of production employed by most United States mills, which hesitate to incur the additional expense involved in producing fabrics for which there are such limited demands. Foreign mills will accept orders for as little as 50 yards of a particular fabric, and in some cases will agree to confine the sale of a particular fabric to only one United States customer. As a result jobbers and high-grade clothing manufacturers can carry a number of exclusive foreign styles without buying in excess of their requirements. Advanced designs rather than price have thus been controlling considerations in the demand for much of the imported fabric. The volume of imports of finer woollens and worsteds in the past has been determined more largely by the degree of prosperity in the United States than by close price comparison of the imported and the most nearly similar domestic fabrics.

Before the war a considerable proportion of the total imports was in the highest value bracket (\$2 per pound) but there were also considerable imports in the lower value brackets. Fabrics supplied to this country by the United Kingdom, however, normally had an average price considerably above that of the average British output and somewhat above the average price of fabrics exported to other countries. In 1937, for example, the average value in the United Kingdom of fabrics exported to this country was \$1.73 a pound as compared with 89 cents a pound for the average value of total United Kingdom production and \$1.38 a pound for the average for exports to other countries. In 1939, however, the average price of fabrics exported from the United Kingdom to the United States was considerably lower \$1.30 a pound than in immediately preceding years and was almost the same as that (\$1.24 a pound) for exports from the United Kingdom to other countries. (Table 4, on the following page, shows exports from the United Kingdom, total and to the United States, by quantity and value, and unit value for the years 1937-39, and 1945.)

Table 4.- Woolens and Worsted: Exports (domestic produce) from United Kingdom, to all countries and to the United States, in specified years 1937-39 and 1945

Country	Woolens				Worsted			
	1937	1938	1939	1945 ^{1/}	1937	1938	1939	1945 ^{1/}
	Quantity (1,000 pounds)							
Total all countries	49,920	36,445	35,709	2/ 15,279	21,360	16,697	13,721	2/ 7,393
United States	3,741	2,116	4,660	2/ 1,092	917	534	984	2/ 282
	Quantity (1,000 square yards)							
Total all countries	86,083	63,742	63,136	27,013	42,960	31,572	34,079	13,458
United States	6,241	2,807	8,114	1,202	1,799	1,116	1,998	575
	(1,000 dollars)							
Total all countries	65,109	47,547	41,547	32,144	35,116	27,693	26,372	20,039
United States	6,074	3,160	5,633	2,897	1,833	996	1,644	858
	Unit value (per pound)							
Total all countries	\$1.30	\$1.30	\$1.16	2/ \$2.10	\$1.64	\$1.65	\$1.41	\$2.71
United States	1.62	1.49	1.22	2/ 2.65	2.00	1.87	1.67	2/ 3.03
	Unit value (per square yard)							
Total all countries	\$0.756	\$0.746	\$0.658	\$1.19	\$0.817	\$0.877	\$0.774	\$1.49
United States	.973	.830	.700	1.52	1.019	.892	.823	1.49

^{1/} Daily News Record (New York) March 2, 1946.

^{2/} Derived from data given in square yards, on basis of relationships in 1939.

Source: Annual Statement of the Trade of the United Kingdom Vol. II and III, 1939, (except as noted).

WOOLENS AND WORSTEDS-Continued

The fall in the average foreign unit value of exports from the United Kingdom to the United States in 1939 was possibly in part attributable to the reduction in United States duties in the United Kingdom agreement, since these reductions encouraged somewhat the export of lower priced fabrics to this country. However, the greatest reduction in duty was made on the highest value bracket, and for this and other reasons it is believed that the reduction in the average value of United States imports from the United Kingdom of woolen fabrics was attributable in greater part to the decline during this period in the prices of raw wool, a decline which operated to lower the prices of all wool fabrics and hence to shift certain fabrics from a higher to a lower value bracket.

The decline in the average unit value of fabrics imported into the United States in 1939 was accompanied by a considerable increase in the quantity of imports to a volume greater than in any previous year for a decade. This increase was probably stimulated in part by the efforts of the British to increase their supplies of dollar exchange, as well as by the reductions in duty resulting from the United States trade agreement with the United Kingdom. A still greater increase would doubtless have occurred except for the military preparations then under way in the United Kingdom and the consequent increase in the demands for wool fabrics in that country itself.

During the war imports of woolens and worsteds into the United States became very small, and exports (chiefly because of shipments under lend-lease to Russia) became large.

The decline in United States imports during the war was the result of restrictions imposed in the United Kingdom on production and exports. Many British mills were closed in order to release labor for more essential industries and to provide storage space for Government use. After the conclusion of hostilities the quantity of woolens and worsteds available for shipment to the United States remained small because of labor shortages and the clothing needs of returning soldiers. British exports to this country in the first 6 months of 1946 averaged 259,000 square yards (about 140,000 pounds) monthly, or about 30 percent of the average monthly rate in 1939. Shipments in volume are not expected in the trade before 1947.

WOOLENS AND WORSTEDS—Continued

Table 5.—Woolens and worsteds: United States imports for consumption, by tariff paragraph and item, by principal sources, 1939

Tariff paragraph and item	Equivalent ad- valorem of the duties	Total value	Principal sources
	Percent		
Par. 1108:			
Woven fabrics, not over 4: ounces per square yard:			
Valued not over \$1 per : pound -----:	82	6,432	UNITED KINGDOM, \$5,955; Japan, \$397
Valued over \$1, not over: \$1.50 per pound -----:	70	27,415	UNITED KINGDOM, \$25,852; France, \$1,561
Valued over \$1.50 per : pound -----:	75	11,576	UNITED KINGDOM, \$6,669; France, \$3,268
Other:			
Valued not over \$1.25 : per pound -----:	83	31,339	France, \$22,458; UNITED KINGDOM, \$5,094
Valued over \$1.25, not : over \$2 per pound ----:	72	77,910	France, \$42,912; UNITED KINGDOM, \$10,802
Valued over \$2 per pound	55	113,040	UNITED KINGDOM, \$34,143; France, \$29,474
Par. 1109(a)			
Woven fabrics, over 4 ozs.: per square yard:			
Woven green billiard : cloths:			
Valued over \$1.25 per: pound -----:	-	None	
Valued over \$1.25, not: over \$2 per pound --:	71	84,184	BELGIUM, \$84,184
Valued over \$2 per lb:	61	14,569	BELGIUM, \$14,569
Other:			
Valued not over 80¢ : per pound -----:	101	1,149,300	UNITED KINGDOM, \$1,053,524; Japan \$64,412
Valued over 80¢, not : over \$1.25 per lb. :	89	1,996,514	UNITED KINGDOM, \$1,792,651; Italy, \$65,520.
Valued over \$1.25, not: over \$2 per lb. ----:	73	2,996,152	UNITED KINGDOM, \$2,471,060; France, \$207,088.
Valued over \$2 per lb:	55	2,310,146	UNITED KINGDOM, \$2,014,024; France, \$195,870

Source: Official statistics of the U. S. Department of Commerce.

WOOLENS AND WORSTEDS-Continued

As regards the outlook for the future, it is to be noted that since 1944 about two-thirds of the imports fall in the highest value classification and that only very small imports now fall within the value classification \$1.25 per pound and lower. The rise in the average prices of imports is attributable to the increase in the prices of wool and in processing costs. As a result imported wool fabrics of the types which in 1939 would have been dutiable in the lower value classifications are now dutiable in the higher value classifications on which the ad valorem duty is lower in the case of goods of over 4 ounces per yard.

WOVEN WOOL FELTS FOR MACHINE CLOTHING

Stat. import classes (1939): 3680.0, 3680.1, 3680.2

United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from--				
			All countries	France	UNITED KINGDOM	Sweden	Czecho-slovakia
Quantity (pounds)							
1937	5,281,442	n.a.	23,015	7,958	7,042	6,816	-
1938	n.a.	n.a.	12,245	5,829	2,117	2,993	598
1939	6,738,903	n.a.	37,097	25,244	3,301	3,412	4,585
1943	n.a.	106,960	<u>1</u> / 886	-	382	-	-
Value (dollars)							
1937	15,046,470	n.a.	34,587	11,287	11,961	9,362	-
1938	n.a.	n.a.	18,882	8,029	3,769	4,962	696
1939	15,877,294	n.a.	41,332	24,382	5,787	5,215	5,028
1943	n.a.	238,661	<u>1</u> / 1,588	-	711	-	-

1/ Includes 492 pounds valued at \$858 imported from Mexico.
Source: Official statistics of the U. S. Department of Commerce.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate	
Par. 1109 (b) Felts, belts, blankets, jackets, or other articles of machine clothing, for paper-making, printing, or other machines, when woven, wholly or in chief value of wool, as units or in the piece, finished or unfinished: Valued at not more than \$1.25 per pound -----	50¢ lb. + 50%	50¢ lb. + 25% 1/	UNITED KINGDOM
Valued at more than \$1.25 but not more than \$2 per pound ---	50¢ lb. + 55%	50¢ lb. + 27½% 1/	do.
Valued at more than \$2 per pound -----	50¢ lb. + 60%	50¢ lb. + 30% 1/	do.

1/ Trade agreement with Sweden, effective August 1935; bound in the agreement with the United Kingdom, effective January 1939.
Note.- The duties on total imports in 1939 were equivalent to 72 percent ad valorem.

Comment

Woven wool felts for machines are used chiefly as conveyer belts on paper-making machines. These belts carry thin layers of wet pulp from one portion of the machine to another, and through rollers which press out the water and consolidate the pulp into paper. Woven wool felt, which is both strong and porous, is the only material suitable for this purpose. In addition to its use in paper-making, woven wool felt is used as machine clothing on laundry machines, and on wallpaper-printing machines.

WOVEN WOOL FELTS FOR MACHINE CLOTHING-Continued

The processes used in the manufacture of woven wool felt are similar to those used in making any woolen cloth, but most of the machinery required is built especially for the purpose, being much larger and heavier than that in the average woolen mill. The looms used, in some instances, are designed to weave fabric 25 feet wide.

Production in the United States is by about 10 concerns. Manufacturers in this country supply almost the entire domestic requirements, and at one time had a substantial export trade.

In the Tariff Act of 1922 woven wool felts for machine clothing were not specifically mentioned, but as a result of litigation were held in June 1928 to be dutiable as parts of machines at 30 percent ad valorem. Imports during this period are known to have been small. Under the act of 1930 they were given specific mention in paragraph 1109 (b) and imports, until August 1935, averaged 9,000 pounds valued at \$13,000 a year. Under the reduced duties provided in the trade agreement with Sweden (the ad valorem rates being reduced by one-half) they averaged (through 1939) 21,000 pounds valued at \$29,000 a year. Although the imports under the trade agreement with Sweden were greater than previously, they remained very small in comparison with production, and were largely confined, as before, to machine felts of special size or construction.

Woven wool felts: United States imports for consumption, by value
 bracket with principal sources, 1939

Value per pound	Total value	Principal sources
Not more than \$1.25 -----	\$25,523	France, \$18,409; Czechoslovakia, \$4,588; Sweden, \$1,423; UNITED KINGDOM, \$955
More than \$1.25 but not more than \$2 -----	12,096	France, \$5,904; Sweden, \$3,792; UNITED KINGDOM, \$1,434
More than \$2 -----	3,713	UNITED KINGDOM, \$3,398

Source: Official statistics of the U. S. Department of Commerce.

WOOL PILE FABRICS AND MANUFACTURES OF

Stat. import classes (1939): 3620.0, 3620.1, 3621.0, 3621.1

United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from--				
			All countries	UNITED KINGDOM	Poland and Danzig	France	Czecho-slovakia
	Quantity (1,000 pounds)						
1937 -	37,257	Not avail- able <u>2/</u>	112	26	-	17	64
1938 -	<u>1/</u>		454	39	61	21	325
1939 -	22,206		258	143	68	15	29
1943 -	<u>1/</u>		13	6	-	7	-
	Value (1,000 dollars)						
1937 -	40,916	Not avail- able <u>2/</u>	177	45	-	49	73
1938 -	<u>1/</u>		503	51	51	33	357
1939 -	<u>3/</u> 22,061		279	149	63	34	30
1943 -	<u>1/</u>		32	10	-	21	-

1/ Not available. 2/ Believed to be small or negligible.

3/ Partially estimated.

Source: Official statistics of the U. S. Department of Commerce.

Item

United States tariff

Proposed negotiating country

Act of
1930

1945
rate

Par. 1110

Pile fabrics, whether or not the pile covers the entire surface, wholly or in chief value of wool, and all articles, finished or unfinished, made or cut from such pile fabrics:

If the pile is wholly cut or wholly uncut -----

44¢ lb.+
50%

44¢ lb.+
40% 1/

UNITED KINGDOM

If the pile is partly cut ----

44¢ lb.+
55%

44¢ lb.+
40% 1/

do.

1/ Trade agreement with United Kingdom, effective January 1939.

Note.- The specific duties (cents per pound) are intended as compensatory for the duty on raw wool. The compound duties on total imports in 1939 were equivalent to 81 percent ad valorem.

Comment

A pile fabric consists of a foundation or ground fabric on which the pile is formed by short projecting yarn-ends (if cut pile) or loops (if uncut pile) obtained in the weaving by use of an extra set of yarns. The pile may consist either of filling yarns, as in corduroy, or of warp yarns, as in plush, frieze and Astrakhan. Filling pile is always cut; warp pile may be cut, partly cut, or uncut.

WOOL PILE FABRICS AND MANUFACTURES OF--Continued

The pile fabrics covered by paragraph 1110 generally have the pile of mohair, ^{1/} rather than sheep's wool, because of its greater resilience and non-felting properties. For domestic mohair, this constitutes the largest single use.

United States production consists mainly of mohair pile fabrics for use as upholstery in automobiles, busses, and railway cars. In recent years it has included an increasing proportion of blended fabrics of mohair and rayon. Most mills producing pile fabrics of wool (mostly mohair) also manufacture pile fabrics in chief value of cotton or rayon.

Production abroad consists largely of specialties upon which relatively short runs are obtained, and for which costs are comparatively high. In the United Kingdom, for example, the production in 1937 (9,322,000 pounds) had an average value of \$1.14 a pound, as compared with \$1.10 in the United States.

Imports into the United States are mainly novelty cloakings, imitation fur, and Jacquard-woven upholstery cloths. They are of high average quality and have a landed value per pound from two to three times as great as the average value per pound of production in this country. (See table below showing imports by kinds.)

Imports have fluctuated widely in response to changes in fashion and business conditions. They declined from 408,000 pounds, valued at \$950,000, in 1929 to 11,000 pounds, valued at \$23,000, in 1934, but subsequently increased to a peak of 454,000 pounds, valued at \$503,000, in 1938.

The specific part of the duties on these fabrics is intended as compensatory for the duty on raw wool and should be reduced if the duty on raw wool is reduced. The reduction in the ad valorem part of the duties by the trade agreement with the United Kingdom, effective January 1, 1939, was followed by much larger imports from the United Kingdom than entered theretofore, but the imports from Czechoslovakia, which had been much the largest source in 1938, became small; after Czechoslovakia was incorporated by Germany it ceased to benefit from the reduced duty, and the disturbed conditions in that area in 1939, doubtless hindered industry and export trade.

Wool pile fabrics and manufactures of: United States imports for consumption, by kinds, with principal sources, 1939

Kind	: Total : value	: :	Principal sources
Pile wholly cut or wholly uncut -----	: \$268,081	: :	UNITED KINGDOM, \$146,525; Poland-Danzig, \$62,234
Pile partly cut -----	: 11,310	: :	France, \$8,423; UNITED KINGDOM, \$2,027

Source: Official statistics of the U. S. Department of Commerce.

^{1/} By tariff definition (par. 1121), the word "wool" used in connection with a manufactured article is held to include mohair, alpaca, etc.

WOOL BLANKETS AND SIMILAR ARTICLES

Stat. import classes (1939): 3610.3-3610.8

United States production, exports, and imports, 1937-39 and 1943

Year	Pro- duction <u>1/</u>	Domestic exports	Imports for consumption from--				
			All countries	UNITED KINGDOM	Nether- lands	Belgium	Italy
	Quantity (1,000 pounds)						
1937	24,429	n.a.	1,027	538	354	48	65
1938	n.a.	n.a.	472	277	112	11	61
1939	28,309	n.a.	468	328	116	11	8
1943	136,800	<u>2/</u> 5,088	<u>3/</u> 764	36	<u>4/</u>	-	-
	Value (1,000 dollars)						
1937	24,329	n.a.	709	355	262	33	37
1938	n.a.	n.a.	318	193	76	6	31
1939	25,310	n.a.	296	203	76	7	3
1943	n.a.	<u>2/</u> 7,830	<u>3/</u> 967	45	<u>4/</u>	-	-

^{1/} Includes all blankets containing 25 percent or more of wool.

^{2/} Includes 4,920 thousand pounds, valued at 7,701 thousand dollars exported under lend-lease. Except for lend-lease shipments during the war, exports have been substantially smaller than imports.

^{3/} Includes 211 thousand pounds, valued at 247 thousand dollars imported free as an act of international courtesy, principally from Canada; also dutiable imports amounting to 235 thousand pounds, valued at 322 thousand dollars from Uruguay and 230 thousand pounds, valued at 275 thousand dollars from Argentina.

^{4/} Less than 500.

Source: Official statistics of the U. S. Department of Commerce.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate	
Par. 1111 Blankets and similar articles (including carriage and auto- mobile robes and steamer rugs), made as units or in the piece, finished or unfinished, wholly or in chief value of wool, not exceed- ing three yards in length (other than hand-woven):			
Valued at not more than \$1 per pound -----	30¢ lb. + 36% ad val.	30¢ lb. + 36% ad val. ^{1/}	UNITED KINGDOM
Valued at more than \$1 but not more than \$1.50 per pound ----	33¢ lb. + 37½% ad val.	33¢ lb. + 36% ad val. ^{1/}	do.
Valued at more than \$1.50 per pound -----	40¢ lb. + 40% ad val.	40¢ lb. + 36% ad val. ^{1/}	do.

^{1/} Trade agreement with the United Kingdom, effective January 1939.

Note.- The ad valorem equivalent of the compound duties amounted to 76% in 1937; 78% in 1938; 84% in 1939; and 60% in 1943.

WOOL BLANKETS AND SIMILAR ARTICLES--Continued

Comment

The above table includes both all-wool blankets and part-wool blankets. The production figures include a large proportion of part-wool blankets but the imports consist almost wholly of all-wool blankets, although the tariff paragraph applies also to part-wool blankets. Production of all-wool blankets in the United States in 1937-39 averaged slightly more than 10 million pounds per year, and that of all-wool and part-wool blankets combined about 25 million pounds per year. The average annual imports during these same years were about 650,000 pounds, equal to about 6½ percent of the domestic production of all-wool blankets and to somewhat over 2½ percent of the total production of wool and part-wool blankets. The all-wool blankets are the product of woolen mills, but the part-wool blankets are produced chiefly in cotton mills.

Imports compete most directly with the domestic production of all-wool blankets. Under the Tariff Act of 1922 imports averaged \$1.06 per pound (foreign value) and were mainly confined to the finer grades which competed with a relatively small part of the domestic output. Under the act of 1930 imports have been largely of blankets made from low-quarter-blood wool, which were directly competitive with those produced in this country. In 1937, for example, when imports were at a peak, imported all-wool blankets had a duty-paid value of \$1.23 per pound (foreign value \$0.68 per pound), as compared with an average value of \$1.37 per pound for all-wool blankets produced in the United States.

Under the Tariff Act of 1930 the specific duties on blankets (30 cents per pound on blankets valued over \$1 per pound, 33 cents per pound on blankets valued over \$1 but not over \$1.50 per pound, and 40 cents per pound on blankets valued over \$1.50 per pound) were intended to be compensatory for the duties on raw wool and the duties on other materials, such as wool noils and shoddy, when mixed with virgin wool in making blankets. It was anticipated that imports of blankets made of mixtures of wool and wool substitutes would make up most of the entries under the two lower value brackets and that the all-wool blankets would mostly be entered under the highest value bracket where the specific rate (40 cents per pound) would be fully compensatory for the duty on raw wool (34 cents per pound). However, practically all the blankets imported from 1930 through 1939 under paragraph 1111 were in fact all-wool blankets, and 95 percent of the imports were valued at not more than \$1 per pound (foreign value), while most of the remainder were valued at \$1-\$1.50 per pound.

The National Association of Wool Manufacturers in January 1937 requested an investigation of all-wool blankets and steamer rugs under Section 336 of the Tariff Act of 1930. The application was dismissed by the Tariff Commission in 1939, after the articles had been included in the trade agreement with the United Kingdom.

The reductions in the ad valorem part of the duties on wool blankets by the trade agreement with the United Kingdom, effective January 1, 1939, were so slight that little increase in imports could have been expected as the result, even if the general economic and political conditions at that time had not been disturbed.

WOOL BLANKETS AND SIMILAR ARTICLES--Continued

Wool blankets and similar articles: United States imports for consumption,
by kinds, value classification, and principal sources, 1939

Kind	Duty	Equivalent: ad valorem:	Total value	Principal sources
		Percent		
Wool blankets:				
Valued not over				
\$1 per pound -----	30¢ lb.	87	\$234,593	UNITED KINGDOM, \$149,323; Netherlands, \$74,361
	+ 36% ad val.			
Over \$1, not over				
\$1.50 per pound --	33¢ lb.	64	4,497	UNITED KINGDOM, \$2,790; France, \$699
	+ 36% ad val.			
Over \$1.50 per pound	40¢ lb.	52	6,430	UNITED KINGDOM, \$4,282; Netherlands, \$567
	+ 36% ad val.			
Automobile robes, etc.:				
Valued not over				
\$1 per pound -----	30¢ lb.	81	38,945	UNITED KINGDOM, \$36,802; Netherlands, \$971
	+ 36% ad val.			
Over \$1, not over				
\$1.50 per pound --	33¢ lb.	64	2,765	UNITED KINGDOM, \$2,729
	+ 36% ad val.			
Over \$1.50 per pound	40¢ lb.	51	8,873	UNITED KINGDOM, \$7,370; France, \$694
	+ 36% ad val.			

Source: Official statistics of the U. S. Department of Commerce.

WOOL FELTS, NOT WOVEN

Par. No. 1112
UNITED KINGDOM

Stat. import classes (1939): 3680.3 and 3680.4

United States production, exports, and imports, 1937-39 and 1943

Year	Production <u>1/</u>	Domestic exports <u>2/</u>	Imports for consumption from--			
			All countries	UNITED KINGDOM	Germany <u>3/</u>	France
Quantity (pounds)						
1937 ----	12,188,102	76,397	17,837	7,442	9,703	209
1938 ----	n.a.	48,284	8,534	4,699	3,093	72
1939 ----	15,668,080	84,681	10,726	4,501	2,315	2,965
1943 ----	n.a.	98,295	4,052	4,042	-	-
Value (dollars)						
1937 ----	6,484,236	94,067	54,557	19,647	34,168	308
1938 ----	n.a.	58,083	23,295	11,396	10,406	102
1939 ----	5,420,867	96,960	21,874	9,511	8,955	2,437
1943 ----	n.a.	102,094	9,964	9,933	-	-

^{1/} Trimming and lining felts, and boot, shoe, and slipper felts.^{2/} Includes "woven" and "not woven" prior to 1943.^{3/} Includes Austria beginning 1938.

Source: Official statistics of the U. S. Department of Commerce.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate	
Par. 1112			
Felts, not woven, wholly or in chief value of wool:			
Valued at not more than \$1.50 per pound -----	30¢	30¢	
	lb. +	lb. +	
	35%	30% ^{1/}	UNITED KINGDOM
Valued at more than \$1.50 per pound -----	40¢	40¢	
	lb. +	lb. +	
	40%	35% ^{1/}	do.

^{1/} Trade agreement with the United Kingdom, effective January 1939.

Note.- The specific duties (cents per pound) are intended as compensatory for the duties on raw wool. The compound duties on total imports in 1939 were equivalent to 54 percent ad valorem.

Comment

Wool felts, not woven, are known in the trade as "pressed felt." ^{1/} They vary in thickness from 1/32 to 3 inches, and in weight from 3 ounces to 72 pounds per square yard.

The felt goods industry, as classified by the Bureau of the Census, embraces establishments whose principal products are made, of wool, of hair, or of jute, by means of heat, moisture, and pressure, or by the needle-loom process. The total output of the industry in 1939 was valued at \$23,574,000. Wool felts, not woven,

^{1/} The Felt Association, Inc., (New York) defines felt as a fabric built up by the interlocking of fibers by a suitable combination of mechanical work, chemical action, moisture, and heat, without spinning, weaving, or knitting. It may consist of one or more classes of fibers, wool, reprocessed wool, and/or re-used wool, with or without admixture with animal, vegetable, and synthetic fibers."

WOOL FELTS, NOT WOVEN--Continued

are not separately classified, but consist principally of trimming and lining felts; boot, shoe, and slipper felts; and piano felts. A primary advantage of wool felt is that when cut in any direction, the edges will not ravel or fray. Consequently, many thousands of items, ranging from military insignia to corn plasters, are cut from the goods with dies, and when so cut are ready for use. The average unit value of the output of domestic wool felt goods before the war ranged from 35 to 50 cents per pound.

Prewar imports of wool felts, not woven, consisted largely of high-grade piano felts valued at more than \$1.50 per pound. The negligible imports entered under the lower value bracket were mainly saddle felts and felts for skirts. Total imports were valued in 1929 at \$61,115 and have since declined. The decrease in imports may be attributed to the fewer number of pianos produced in the United States and to the improvement made in the quality of domestic piano felts.

Wool felts, not woven: United States imports for consumption,
by value brackets, with principal sources, 1939

Value bracket	Total value	Principal sources
Not more than \$1.50 per pound -----	\$3,241	France, \$2,203; Belgium, \$665; UNITED KINGDOM, \$119
More than \$1.50 per pound -----	18,633	UNITED KINGDOM, \$9,392; Germany, ^{1/} \$8,915

^{1/} Includes Austria.

Source: Official statistics of the U.S. Department of Commerce.

WOOL SMALL WARES

Par.No. 1113
UNITED KINGDOM

Stat. import class (1939): 3680.6

United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from--				
			All countries	UNITED KINGDOM	Germany <u>1/</u>	Switzerland	France
			Quantity (pounds)				
1937	Not avail- able	Not	2,065	349	204	1,119	256
1938		available-	621	120	121	-	108
1939		probably	666	326	238	60	26
1943		negligible	<u>2/</u> 234	95	-	-	-
			Value (dollars)				
1937	Not avail- able	Not	7,014	1,138	877	3,995	687
1938		available-	1,310	351	370	-	242
1939		probably	1,923	513	1,037	184	161
1943		negligible	<u>2/</u> 1,558	1,105	-	-	-

^{1/} Includes Austria beginning 1938.^{2/} Includes 135 pounds valued at \$440 from Canada entered free as an act of international courtesy.

Source: Official statistics of the U. S. Department of Commerce.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate	
Par. 1113			
Fabrics, with fast edges, not exceeding twelve inches in width, and articles made therefrom; tubings, garters, suspenders, braces, cords, and cords and tassels; all the foregoing, wholly or in chief value of wool.	50¢ lb. + 50% ad val.	50¢ lb. + 40% ^{1/} ad val. ^{1/}	UNITED KINGDOM

^{1/} Trade agreement with the United Kingdom, effective January 1939.

Note.- The ad valorem equivalent of the compound duties amounted to 64 percent in 1937; 74 percent in 1938; 62 percent in 1939; and 44 percent in 1943.

Comment

Paragraph 1113 includes narrow-woven fabrics, not over 12 inches in width, wholly or in chief value of wool, which have not been ornamented after leaving the loom; manufactures of such narrow-woven fabrics; and cords and tassels made from yarns by twisting or cabling.

Small wares in chief value of wool are produced in factories engaged primarily in the manufacture of articles in chief value of cotton or rayon. Domestic production is not separately reported but undoubtedly greatly exceeds imports.

The fabrics and articles imported under paragraph 1113 are mainly those for which there is a limited market in the United States. Imports consist mainly of tubings, bandings, saddle girths, and suspenders. The reduction by one-fifth in the ad valorem part of the duty by the agreement with the United Kingdom, effective January 1, 1939, had no significant effect upon imports, as might be expected in view of the disturbed conditions in that country at that time.

Stat. import classes (1939): 3625.0 and 3625.1

United States production, exports, and imports, 1937-39 and 1943

Year	Production ^{1/}	Domestic exports	Imports for consumption from--			
			All countries	FRANCE	United Kingdom	Japan
Quantity (pounds)						
1937 ---	9,324,044	Not available (small)	2/ 12,028	4,699	1,458	3,303
1938 ---	n.a.		9,321	7,634	1,423	28
1939 ---	9,850,872		7,435	5,887	1,368	-
1943 ---	n.a.		3/ 21,286	-	-	-
Value (dollars)						
1937 ---	14,222,479	Not available (small)	2/ 28,822	16,066	3,345	4,542
1938 ---	n.a.		21,030	17,585	3,070	29
1939 ---	12,770,057		17,298	14,575	2,166	-
1943 ---	n.a.		3/ 47,514	-	-	-
Unit value (per pound)						
1937 ---	\$1.53	Not available	2/ \$2.40	\$3.42	\$2.30	\$1.38
1938 ---	n.a.		2.26	2.30	2.16	1.04
1939 ---	1.30		2.33	2.51	1.58	-
1943 ---	n.a.		2.21	-	-	-

1/ Circular-knit outerwear fabrics, wool or chiefly wool.

2/ Includes 1,974 pounds valued at \$3,937 (unit value \$1.99) imported from Austria; imports from Austria were negligible in earlier years. 3/ Principally from Argentina.

Source: Official statistics of the U. S. Department of Commerce.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate	
Par. 1114(a) Knit fabric, in the piece, wholly or in chief value of wool: Valued at not more than \$1 per pound -----	33½ lb. + 40% ad val.	33½ lb. + 40% ad val.	FRANCE
Valued at more than \$1 per pound -----	50½ lb. + 50% ad val.	50½ lb. + 40% ad val. ^{1/}	FRANCE

1/ Trade agreement with France, effective June 1936.

Note.- The specific duties are intended to be compensatory for the duty on raw wool and are less for the less expensive fabrics because these are assumed to contain an admixture of fibers other than virgin wool. The compound duties on total imports in 1939 were equivalent to 61 percent ad valorem.

Comment

The usual types of wool knit fabric produced for sale are circular-knit jersey dress goods made of all-wool worsted yarns, and napped or "fleece" topcoatings, overcoatings, and blanketing; small quantities of warp-knit fabric are also produced for sale. The fleeced fabrics (knit ordinarily on circular loop-wheel machines) have a fine-stitch back not observable under the napped face and can hardly be distinguished from fleeced woven overcoating, topcoating, and blanketing.

WOOL KNIT FABRIC, IN THE PIECE-Continued

with which they are directly competitive. Knitters produce large quantities of wool knit fabric for their own use in the manufacture of garments; the quantity so consumed in 1939 is estimated to have been several times the quantity produced for sale.

A few mills knit fabric only; some mills produce other knit goods, making the wool fabric in a separate department. Production is chiefly in New York and in New England States. Because of the scarcity of woven wool materials for civilians during the war, great impetus was given to the manufacture of knitted wool fabrics, particularly fleeced coatings and blankets. In 1945 production of knit fabrics of types usually wholly or in large part of wool amounted to about 35 million pounds.

Prewar imports remained about one-tenth of 1 percent of consumption in the United States notwithstanding the reduction of the duty (by one-fifth of the ad valorem rate) in 1936. Imports were chiefly fabrics from France which sold at high prices in this country because of the prestige of the foreign manufacturers (famous couturiers). Under war conditions imports in 1943 from Argentina were larger than imports from all other countries in earlier years, but that country ceased to be a supplier in 1944 and 1945. Only a small part of the total imports are ever valued at less than \$1.00 per pound (foreign value); in the 5 years 1941-45 no imports entered under the lower value classification.

Wool knit fabric, in the piece: United States imports for consumption,
by import classes, with principal sources, 1939

Import class	: Total : value	: :	Principal sources
	:	:	
Value per pound:	:	:	
Not more than \$1 -----	: \$815	:	United Kingdom, \$540; FRANCE,
	:	:	\$275
More than \$1 -----	: 16,483	:	FRANCE, \$14,500; United Kingdom,
	:	:	\$1,626
	:	:	

Source: Official statistics of the U. S. Department of Commerce.

WOOL HOSIERY

Par. 1114(b)

(See also embroidered wool hosiery, par. 1529(a))

UNITED KINGDOM

Stat. import classes (1939): 3635.0, 3635.2, and 3635.5

United States production, exports, and imports, 1937-39 and 1943

Year	Pro- duction <u>1/</u>	Domestic exports	Imports for consumption from--				
			All countries	UNITED KINGDOM	Norway	France	Belgium
Quantity (dozen pairs)							
1937	502,538	Not avail- able <u>2/</u> <u>3/</u>	312,060	305,827	1,565	567	1,700
1938	n.a.		244,593	241,287	1,798	297	533
1939	532,821		272,154	266,730	1,622	1,182	896
1943	n.a.		<u>3/</u> 132,260	123,288	-	-	-
Value (dollars <u>4/</u>)							
1937	1,774,669	Not avail- able <u>2/</u> <u>3/</u>	843,467	815,878	6,719	2,101	7,036
1938	n.a.		613,099	599,252	6,505	1,329	2,340
1939	1,648,215		692,079	670,199	6,852	5,148	3,390
1943	n.a.		<u>3/</u> 547,026	515,817	-	-	-
Unit value (per dozen pairs <u>4/</u>)							
1937	\$3.53	Not avail- able <u>2/</u>	\$2.70	\$2.67	\$4.29	\$3.71	\$4.14
1938	n.a.		2.51	2.48	3.62	4.47	4.39
1939	3.09		2.54	2.51	4.22	4.36	3.78
1943	n.a.		4.14	4.18	-	-	-

1/ Men's and women's seamless all-wool hosiery. In addition there was produced in 1937 a total of 46,797 dozen pairs, valued at \$152,843, of men's full-fashioned, athletic, and children's all-wool hosiery for which comparable 1939 data are not available. Production of other hose wholly or in part of wool (chiefly woolen bundle goods) was reported in 1939 as 1,034,051 dozen pairs valued at \$1,829,000; this did not include an indeterminate amount reported in "mixtures" (fiber not specified) of which the total was large.

2/ Exports of wool hosiery, known to have been negligible, are reported with exports of "wool knit goods, other than bathing suits."

3/ Free as an act of international courtesy, 8,745 dozen pairs, valued at \$29,395.

4/ Values of imports are foreign (not duty-paid) values.

Source: Official statistics of the U. S. Department of Commerce.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate	
Par. 1114(b)			
Hose and half-hose, finished or unfinished, wholly or in chief value of wool:			
Valued at not more than \$1.75 per dozen pairs -----	\$40¢ lb. + 35%	40¢ lb. + 35%	UNITED KINGDOM
Valued at more than \$1.75 but not more than \$3 per dozen pairs -----	50¢ lb. + 50%	50¢ lb. + 35% <u>1/</u>	do.
Valued at more than \$3 per dozen pairs -----	50¢ lb. + 50%	50¢ lb. + 25% <u>1/</u>	do.

1/ Trade agreement with the United Kingdom, effective January 1939.

Note.-- The specific (cents per pound) portion of the duty is intended to be compensatory for the duty on raw wool and is less on the less expensive hose because these are assumed to consist in part of materials other than virgin wool. The ad valorem equivalents of the compound rates of duty on imports in each value classification are given in the table at the end of the comment.

Comment

Imports under this heading consist almost entirely of all-wool half-hose for men. Most of the total is probably full-fashioned hosiery, although the proportion of seamless (circular-knit) hosiery was increasing in prewar years. In addition to the imports in paragraph 1114(b), there are comparatively small imports of embroidered wool hosiery under paragraph 1529(a). Embroidered hosiery is considered in another digest, "wearing apparel containing embroidery or lace."

The market for wool hosiery during an extensive period was almost entirely confined to (1) heavy long hose to be worn with high boots, coarse wool sport socks, and medium qualities of half-hose, all of which were supplied by a small specialized domestic industry; and to (2) golf hose and fine full-fashioned dress socks, supplied chiefly by imports. In the 1930's, however, with a declining style interest in golf hose, there was an increasing demand for wool or part-wool ribbed and patterned seamless dress half-hose made on British circular hosiery machines. This market attracted the attention of large domestic concerns engaged in manufacturing cotton and rayon dress half-hose, and they became the principal producers in the United States, using British machines and (later) similar machines manufactured in this country.

Of some 600 hosiery mills in the United States, only a few make wool hosiery, and most, if not all, of these also make other hosiery, for which there is a far greater demand. As compared with a total output in 1939 of 152 million dozen pairs, the production of hosiery containing wool was probably less than 5 million dozen, and the production of all-wool hosiery slightly over one-half million dozen. The all-wool hosiery produced in the United States is almost entirely men's seamless (circular-knit) hosiery.

Imports have nearly all been from the United Kingdom. The production of wool hosiery there is large, amounting to nearly 14 million dozen pairs valued at 35 million dollars in 1937, or between one-third and one-half of the total hosiery production. Prewar shipments to the United States were priced not far above the average of total production in the United Kingdom. Their average duty-paid value in the United States was \$4 a dozen pairs in 1937 and \$4.60 in 1939, as compared with an average value at the mill of \$3.10 and \$3.55 for all-wool hosiery produced in the United States. A substantial proportion of the hosiery received from the United Kingdom, however, had a foreign value of less than \$1.75 per dozen pairs. Imports in this category amounted to over one-half the total from the United Kingdom in the 3 years 1937-39 and had an average duty-paid value in the United States of \$2.60 a dozen pairs, not including landing charges.

Wartime concentration of British textile manufacturing in a few plants and the consequent serious dislocation of regular production bore heavily upon the British knit-goods industry. United States imports of wool hosiery from the United Kingdom dropped abruptly in 1943 and became almost nonexistent in 1944. As late as December 1945, imports had not been resumed in quantity. The United Kingdom, however, has the largest home market for wool hosiery and for wool yarns and enjoys a world-wide prestige for its wool products.

In 1944 Argentina began sending wool hosiery to the United States and in that and the following year was the principal source of the diminishing imports. The Argentine goods have an average foreign value of more than \$10 per dozen pairs.

The United States demand for wool hosiery in the past has fluctuated widely with style trends. Similar decided shifts may occur in the future and may obscure the effects of any duty changes on imports. The reduction in the ad valorem part of the duty on the two higher value brackets by the trade agreement with the United Kingdom, effective January 1, 1939, was not reflected in any marked increase in imports from that country, which were in fact considerably smaller in 1939 than in 1937. It may be that the disturbed economic conditions in the United Kingdom in 1939 prevented a greater increase in imports. The increase in price levels which has taken place since 1939 is likely to bring most of the imports into the two higher value brackets, and it may be that under existing rates of duty the ratio of imports to domestic production in the postwar period will be somewhat higher than before the war.

WOOL HOSIERY-Continued

Wool hosiery: United States imports for consumption, by import classes,
by principal sources, 1939

Import classes	Specific	Ad valorem:	Total	Principal sources
	equivalent of the duty	equivalent: of the duty	values	
	Per dozen: pairs	Per pound	Percent	
Valued per dozen pairs at:				
Not over \$1.75 -----	\$1.03	\$0.78	71	\$218,101: UNITED KINGDOM, : \$217,195
Over \$1.75 but not				
over \$3 -----	1.61	1.04	67	128,608: UNITED KINGDOM, : \$126,376
Over \$3 -----	2.13	1.24	42	345,370: UNITED KINGDOM, : \$326,628

Source: Official statistics of the U. S. Department of Commerce.

WOOL GLOVES AND MITTENS (NOT EMBROIDERED)
(See also embroidered gloves, par. 1529(a))

Stat. import classes (1939): 3236.0, 3636.05, 3636.3, and 3636.5

United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from--				
			All countries	UNITED KINGDOM	Japan	CHINA	Norway
Quantity (dozen pairs)							
1937 -	744,591	Not avail- able <u>2/</u>	137,704	13,398	103,685	728	1,909
1938 - <u>1/</u>	620,000		30,813	6,285	13,692	1,007	972
1939 -	814,148		26,934	6,218	9,989	7,820	615
1943 - <u>3/</u>	n.a.		<u>4/</u> 3,141	936	-	-	-
Value (dollars) <u>5/</u>							
1937 -	3,258,558	Not avail- able <u>2/</u>	380,344	53,329	231,608	2,667	11,466
1938 -	n.a.		99,519	26,309	28,420	2,637	5,628
1939 -	3,687,628		75,162	27,912	20,515	12,176	4,038
1943 -	n.a.		<u>4/</u> 29,832	8,780	-	-	-

1/ Partly estimated by Tariff Commission.2/ Probably negligible.3/ Not available. In 1945 production was 1,959,938 dozen pairs, of which 1,271,617 dozen pairs (498,997 dozen for Government order) consisted of seamless and 688,321 dozen pairs consisted of seamed wool gloves and mittens. The output of seamed wool gloves and mittens in most years has been small.4/ Includes 1,447 dozen pairs valued at 16 thousand dollars imported from Mexico.5/ Gloves valued at not more than \$1.75 per dozen pairs included on the basis of American selling price.

Source: Official statistics of the U. S. Department of Commerce, except as noted.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate	
Par. 1114(b) Gloves and mittens and mittens, finished or unfinished, wholly or in chief value of wool: Valued at not more than \$1.75 per dozen pairs -			
Knit -----	40¢ lb.+ 35% ad val.	40¢ lb.+ 35% ad val. <u>1/</u>	CHINA
Other -----	40¢ lb.+ 35% ad val.	40¢ lb.+ 35% ad val.	
Valued at more than \$1.75 but not more than \$3.50 per dozen pairs -----	50¢ lb.+ 50% ad val.	50¢ lb.+ 50% ad val.	UNITED KINGDOM
Valued at more than \$3.50 per dozen pairs -----	50¢ lb.+ 50% ad val.	50¢ lb.+ 40% ad val. <u>2/</u>	do.

1/ Basis of ad valorem rate changed from foreign value to "American selling price" by Presidential proclamation, effective March 1936, under section 336 of the Tariff Act of 1930.2/ Trade agreement with United Kingdom, effective January 1939.

Note.- The cents-per-pound portion of the duty in the Tariff Act of 1930 was intended to be compensatory for the duty on raw wool and was less on the less expensive articles because these were assumed to consist in part of materials other than virgin wool. The ad valorem equivalent of the compound duty on imports in each value bracket in 1939 is given in the table at the end of the comment.

WOOL GLOVES AND MITTENS (NOT EMBROIDERED)—Continued

Comment

Wool gloves and mittens are made directly from yarn by machine knitting, hand knitting, or crocheting; or they are cut-and-sewed from knit or woven fabric. All of these types, if unembroidered, are dutiable under paragraph 114(b). If embroidered, they are dutiable instead at 90 percent ad valorem under paragraph 1529(a). ^{1/}

United States consumption of wool gloves declined during a 10-year period to a low point of barely 275,000 dozen pairs in 1932; it nearly doubled in 1933 and thereafter advanced rapidly to an average of 1 million dozen pairs in the years 1935-39. The increase resulted from many causes. A succession of sharp, cold winters followed a series of mild ones; imports of European cotton and leather gloves diminished; domestic manufacturers of wool gloves imported some British automatic machines; American machine makers developed new ideas; and wool gloves made in the United States improved in style and quality. Beginning in 1935, the availability of large quantities of light-weight inexpensive gloves from the Far East probably contributed to the increase in total consumption. These gloves were usually less durable than the gloves produced in the United States and they required more frequent replacement, but they could be sold more easily in low price brackets, and they could be worn more comfortably in mild climates.

United States production

United States production of wool gloves consists principally of the seamless type made direct from yarn on knitting machines. Most of these gloves are not embroidered, but a few are hand-embroidered with simple designs in the continental United States, and others are sent to Puerto Rico for more elaborate ornamentation. Production of gloves cut-and-seamed from purchased fabric is small in most years, but in 1945, as a result of the extraordinary stimulus given to the production of all gloves by military requirements, it became almost 700,000 dozen pairs, or 35 percent of the total production of wool knit gloves.

The wool knit glove industry of the United States, under ordinary circumstances, is virtually confined to knitting mills making seamless gloves. There were 9 such mills in 1936, and nearly twice as many in 1946. They are mostly medium-size and small plants situated in small towns of the New York glove district and in Wisconsin. The newer concerns are chiefly in Yonkers and New York City where several were established by European manufacturers who arrived in the United States shortly before World War II. A small production also occurs in mills engaged principally in the manufacture of other knit articles.

Seamless wool-glove makers purchase practically all of their yarn. With continued emphasis on style the tendency has been more and more to supplant woolen with worsted yarn, to improve the quality of worsted yarn employed, and even to venture into the use of high-priced cashmere, camel's hair, and angora yarns. In keenly competitive markets, however, such as prevailed in the late 1930s manufacturers may lower their costs by purchasing yarn spun in mixtures of wool and rayon staple fiber or other material less expensive than wool.

Seamless wool glove equipment in the United States consists chiefly of circular machines used to knit the cuff and hand and of small "flat" machines to knit the thumb and fingers. Traditionally, wool gloves have a cuff knit in ribbed-stitch to fit the wrist snugly, a plain- or fancy-stitch hand, and plain-stitch fingers. Only British "automatic" circular machines knit a true-ribbed cuff and a plain hand continuously on the same machine. American circular machines, however, excel the British in patterning range. Many of the fingering machines are built in the glove mills, which maintain unusually large machine shops. Ideas originating in these shops have improved styling and have contributed greatly to making wool gloves fashionable.

^{1/} The term "gloves" is used in this digest to include mittens unless otherwise evident from the context, and the term "embroidered" to cover all types of ornamentation described in paragraph 1529(a).

WOOL GLOVES AND MITTENS (NOT EMBROIDERED)---Continued

Domestic manufacturers, who, late in 1932, developed new and varied styles of gloves knit of worsted yarn, were the first to benefit from the increased consumption that followed. From 335,000 dozen pairs valued at \$1,231,000 (\$3.67 per dozen pairs) in 1931, the total production of wool knit gloves increased to 970,000 dozen pairs valued at \$3,600,000 (\$3.71 per dozen pairs) in 1935. In the next several years it declined somewhat in quantity, although not in value, amounting to 814,000 dozen pairs valued at \$3,688,000 (\$4.53 per dozen pairs) in 1939. Total production of seamless wool gloves and mittens increased from 742,000 dozen pairs in 1937 to 792,000 dozen pairs in 1939, but the rise was entirely in mitten output (from 245,000 to 332,000 dozen pairs) and production of seamless gloves declined (from 476,000 to 459,000 dozen pairs). Considerably more labor enters into knitting gloves than mittens because of the separate operation required for each finger, and the higher ratio of labor to material costs in gloves than in mittens made domestic manufacture of gloves more susceptible to competition from imports.

During the war, there was a great increase in the production of wool gloves to meet the requirements of the armed services. In 1945 the output of seamless wool gloves (not including mittens) was 887,000 dozen pairs of which 462,000 dozen pairs were made on Government order. Seamless mitten production was 385,000 dozen pairs. The rise in seamless wool-glove production was confined to men's gloves; the production of women's and children's gloves fell somewhat from the 1939 level. In the war years, plant capacity was expanded by possibly 20 to 25 percent because of the pressure of war orders. The leather-palm Army glove (mostly seamless) which constituted the largest part of the service gloves, is too expensive for the civilian market to absorb in the quantities required by the wartime Army. Seamless wool-glove manufacturers are hampered by limited flexibility in the use of their machinery. Demand for string gloves of cotton or rayon, the only other products of the glove machine, is restricted by consumer preference for other types of cotton and rayon gloves.

Imports--total

Imports of wool gloves of all types (including embroidered) increased from 85,000 dozen pairs, or about 20 percent of consumption in 1931, to 533,000 dozen pairs, or over 40 percent of consumption, in 1935. The increase of imports occurred almost entirely in knit gloves valued at not over \$1.75 per dozen pairs, nearly all of which came from Japan. The duty on these gloves in paragraph 1114(b) was increased in March 1936 by a Presidential proclamation basing the ad valorem rate on the American selling price. Total imports in 1936 were 616,000 dozen pairs of which more than one-half were received in the first 3 months of the year. Following increase in the duty, imports continued large, shifting from the category on which the duty had been increased to the classification for gloves valued over \$1.75 per dozen pairs and to that (in paragraph 1529(a)) for embroidered gloves. The addition of a few hand-made contrasting stitches was sufficient to make the gloves dutiable as embroidered articles in paragraph 1529(a). Duty collected on a dozen pairs of the low-priced gloves at 90 percent ad valorem (the rate for embroidered articles) was not much greater than that collected at the compound rates to which they had been subjected (if unembroidered) in paragraph 1114(b) before March 1936, and much less than the charge under paragraph 1114(b) when based on American selling price. Total imports in 1941 were 385,000 dozen pairs (98 percent of which were embroidered) valued at \$445,000 (\$1.16 per dozen pairs), chiefly from China.

In 1939, the ad valorem portion of the duty in paragraph 1114(b) on wool gloves and mittens valued over \$3.50 per dozen pairs was reduced in the trade agreement with the United Kingdom. Before the war, imports in this classification were small, but in 1945, as the result of higher prices, and the elimination of imports from the Far East, they became the bulk of the total (see table 1).

WOOL GLOVES AND MITTENS (NOT EMBROIDERED)-Continued

Table 1.- Wool gloves and mittens: United States imports for consumption, average, 1922-30 and specified years 1935 to 1945

Period or year:	Not embroidered					
	Valued not over:	Valued over \$1.75	Total	Em-	Grand	
	\$1.75 per dozen:	per dozen pairs	not	broid-	total	
	pairs			ered 1/		
	Knit	Crocheted:	Not over \$3.50	embroid-		
			\$3.50 per:	ered		
			dozen pairs:	pairs		
Quantity (dozen pairs)						
Annual average:	:	:	:	:	:	:
Sept. 22,	:	:	:	:	:	:
1922-June	:	:	:	:	:	:
17, 1930 ---:	94,670	:	54,349	:	149,019: 2/ 4,467:	153,486
1935 -----:	503,146	:	29,797	:	532,943:	40: 532,983
1936 -----:	422,857	:	73,817	:	496,674:	119,713: 616,387
1937 -----:	24,333	:	113,371	:	137,704:	206,803: 344,507
1939 -----:	11: 5,261:	:	15,755:	5,907:	26,934:	242,820: 269,754
1940 -----:	280: 4,373:	:	8,754:	3,697:	17,104:	361,733: 398,837
1945 4/5/ ---:	-:	-:	2,106:	61,577:	63,683:	3,203: 66,886
Foreign value 3/						
Annual average:	:	:	:	:	:	:
Sept. 22,	:	:	:	:	:	:
1922-June	:	:	:	:	:	:
17, 1930 ---:	\$153,747	:	\$191,368	:	\$345,115: 2/ \$15,232:	\$360,347
1935 -----:	534,240	:	96,708	:	630,948:	157: 631,105
1936 -----:	369,360	:	222,639	:	591,999:	164,923: 756,922
1937 -----:	76,712	:	303,632	:	380,344:	289,130: 669,474
1939 -----:	42: 6,595:	:	33,520:	35,005:	75,162:	266,336: 341,498
1940 -----:	1,301: 6,253:	:	18,141:	23,249:	48,955:	401,810: 450,754
1945 4/5/ ---:	-:	-:	6,543:	439,547:	446,090:	33,809: 479,899
Foreign unit value (per dozen pairs) 3/						
Annual average:	:	:	:	:	:	:
Sept. 22,	:	:	:	:	:	:
1922-June	:	:	:	:	:	:
17, 1930 ---:	\$1.62	:	\$3.52	:	\$2.32: 2/ \$3.41:	\$2.32
1935 -----:	1.06	:	3.25	:	1.18:	3.92: 1.18
1936 -----:	.87	:	3.02	:	1.19:	1.38: 1.23
1937 -----:	3.15	:	2.68	:	2.76:	1.40: 1.94
1939 -----:	3.82: 1.25:	:	2.13:	5.93:	2.79:	1.10: 1.27
1940 -----:	4.65: 1.43:	:	2.07:	6.29:	2.86:	1.05: 1.13
1945 4/5/ ---:	-:	-:	3.11:	7.14:	7.00:	10.56: 7.17

1/ Dutiable under paragraph 1529(a) at 90 percent ad valorem.

2/ Not separately reported before January 1, 1924.

3/ Knit gloves valued not over \$1.75 per dozen pairs included on the basis of "American selling price" after March 1936.

4/ Does not include articles imported duty-free for U. S. Government or as an act of international courtesy.

5/ Preliminary.

Source: Official statistics of the U. S. Department of Commerce.

WOOL GLOVES AND MITTENS (NOT EMBROIDERED)--Continued

Foreign sources

Over a period of years, several major shifts have occurred in the source of imports. Until 1934 Germany and Czechoslovakia supplied the bulk of the total. Japan was the principal source during most later years until 1939 when China ranked first. In 1940 and 1941 seventy to ninety percent of the entire quantity was supplied by China. The United Kingdom has not been a major source of the combined imports, although it generally has supplied most of those valued at over \$3.50 per dozen pairs and it was on this classification only that a concession was made in the trade agreement with that country in 1939.

Gloves imported from Japan were copies of American styles made by processes similar to those used in the United States. Though principally knit from good worsted yarn, a large proportion of the Japanese gloves, because of poor workmanship or light weight, were below the quality of the gloves made in the United States or of those imported from other countries. Accordingly, they sold at lower retail prices. Imports from Japan were unfavorably affected by the increase in the United States duty on the lower-priced gloves in 1936 and, subsequently, by Japanese government restrictions on the use of wool.

Over 95 percent of the gloves received from China were embroidered. China remained the principal source of embroidered glove imports through 1941. Unlike the Japanese articles which they replaced, the embroidered gloves imported from China when this trade first became large were usually hand-crocheted. Later, machine-knit Chinese mittens and gloves, hand-embroidered with elaborate and carefully worked designs, became popular in the United States. Because of the slow "fingering" process, more time was required to knit gloves than mittens. The Chinese, who at first had few machines, concentrated on knitting mittens. From available data it appears that Chinese production of wool gloves and mittens of all kinds rose from 200,000 dozen pairs in 1938 to 500,000 dozen pairs in 1940. In this period Chinese production of hand-made-made wool gloves and mittens declined, and production of those made on machines increased from 50,000 to 470,000 dozen pairs. Machines on which the gloves were knit were made in Shanghai. Although good Australian-wool yarn (spun in Shanghai) was used in most of the gloves and mittens, standards of workmanship were often sacrificed to produce a cheap article.

Many of the gloves imported from the United Kingdom were for men. They were mostly valued above \$3.50 per dozen pairs and included a substantial quantity knit in plain colors of fine camel's hair or cashmere yarns, with a prewar foreign value of \$6 to \$10 per dozen pairs.

Rates of duty

Imports of wool knit gloves valued not over \$1.75 per dozen have virtually been excluded by action in 1936 basing the ad valorem portion of the duty on the "American selling price" as defined in section 402(g) of the Tariff Act of 1930. At current wool prices, an estimated 60 percent of the gloves which entered under this classification in 1936 would, if imported in 1946, be entered under the classification for gloves valued at more than \$1.75 but not more than \$3.50 per dozen pairs. Landed costs would be less for gloves imported in the higher value bracket (duty on foreign value basis) than for knit gloves in the lower value bracket (duty on "American selling price").

WOOL GLOVES AND MITTENS (NOT EMBROIDERED)--Continued

As a result of competition from imported embroidered gloves, the Tariff Commission ordered an investigation in October 1936 which was delayed pending a Customs case decision on the definition of embroidery. Imports declined in 1938 and the investigation was dismissed. A new investigation was ordered by the Commission in October 1940, but because of abnormal conditions in the industry the investigation was postponed in 1941 and dismissed in 1942.

Wool gloves and mittens (not embroidered): United States imports for consumption, by kinds, by principal sources, 1939 and 1940

Year and Kind	Specific	Ad valorem	Total	Principal sources
	: equivalent : of the duty	: equivalent: : of the duty:	: value :	
	: <u>Per dozen</u>	: <u>Percent</u>	:	
	: <u>pairs</u>	:	:	
<u>1939</u>	:	:	:	:
Value per dozen pairs :	:	:	:	:
Not over \$1.75 - :	:	:	:	:
Knit 1/-----:	\$1.73	45	\$42:	CHINA, \$35; United Kingdom, \$7.
Not knit -----:	1.00	79	6,595:	CHINA, \$6,595.
Over \$1.75 not over :	1.87	88	33,520:	Japan, \$18,805; UNITED KINGDOM, \$7,077; China, \$4,746.
\$3.50. :	:	:	:	:
Over \$3.50 -----:	3.12	53	35,005:	UNITED KINGDOM, \$20,828; Norway, \$3,309; Switzerland, \$1,775.
:	:	:	:	:
<u>1940</u>	:	:	:	:
Value per dozen pairs :	:	:	:	:
Not over \$1.75 - :	:	:	:	:
Knit 1/-----:	2.22	48	1,301:	Japan, \$699; CHINA, \$447
Not knit 1/-----:	.95	67	6,253:	CHINA, \$6,253.
Over \$1.75 not over :	1.85	89	18,141:	Japan, \$9,922; China, \$4,933.
\$3.50. :	:	:	:	:
Over \$3.50 -----:	3.25	52	23,249:	UNITED KINGDOM, \$19,417.
:	:	:	:	:

1/ Value and ad valorem equivalent of the duty based on American selling price.
Source: Official statistics of the U. S. Department of Commerce.

WOOL KNIT UNDERWEAR

Stat. import classes (1939): 3637.0 and 3637.1

United States production, exports, and imports, 1935, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from--				
			All countries	UNITED KINGDOM	Switzer-land	France	Canada
Quantity (pounds)							
1935	Not	Not	9,122	4,704	2,001	1,232	182
1937	avail-	avail-	17,287	9,914	3,899	2,846	234
1938			11,431	6,958	2,263	2,004	34
1939	able	able <u>1/</u>	10,399	6,981	2,480	521	315
1943			<u>2/</u> 12,378	306	-	-	12,062
Value (dollars)							
1935	<u>3/</u>	Not	29,736	12,835	8,795	4,782	269
1937	<u>4/</u> 2,971,438		54,852	31,938	15,015	6,304	528
1938	n.a.	avail-	31,853	18,525	9,162	3,783	126
1939	<u>4/</u> 2,822,114	able <u>1/</u>	31,356	18,443	9,856	2,511	436
1943	n.a.		<u>2/</u> 17,194	2,090	-	-	15,030

^{1/} Believed to have been negligible.

^{2/} Free as an act of international courtesy 11,982 pounds, valued at \$14,853.

^{3/} Statistics comparable with those for 1937 and 1939 are not available.

^{4/} Census data do not show production of knit underwear according to material.

The value figures here given are for one classification only, recorded as,

"Circular-knit women's vests and pants--woollies."

Source: Official statistics of the U. S. Department of Commerce.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate	
Par. 1114(c)			
Knit underwear, finished or unfinished, wholly or in chief value of wool:			
Valued at not more than \$1.75 per pound -----	40¢ lb. + 30% ad val.	40¢ lb. + 30% ad val. ^{1/}	UNITED KINGDOM
Valued at more than \$1.75 per pound -----	50¢ lb. + 50% ad val.	50¢ lb. + 30% ad val. ^{1/2/}	
		do.	

^{1/} Bound in trade agreement with the United Kingdom, effective January 1939.

^{2/} Trade agreement with Switzerland, effective February 1936.

Note.- The specific (cents per pound) portion of the duty is intended to be compensatory for the duty on raw wool and is less on the less expensive garments because these are assumed to consist in part of materials other than virgin wool. The ad valorem equivalents of the compound rates of duty on imports in each value bracket are given in the table at the end of the comment.

WOOL KNIT UNDERWEAR-Continued

Comment

Articles wholly or in chief value of wool have been of minor importance in the total United States consumption of knit underwear. Only a few manufacturers specialize on wool knit underwear, and they, for the most part, make only all-wool garments or garments containing a high percentage of wool. Production of wool-and-cotton knit underwear having substantial cotton content occurs chiefly in cotton knit underwear mills. Some of the articles included in the production data given in the above table were not in chief value of wool, but these were probably more than offset by others which should have been included but for which separate information was not available. Over a considerable period domestic production has tended to decline, although an interval of unusual activity was experienced during the war as a result of military orders.

Prewar imports supplied a small part (generally less than 5 percent) of the limited demand for wool knit underwear. They declined from an average value of \$81,000 a year under the Tariff Act of 1922 to an average of only \$26,000 in 1934-35. By the Swiss trade agreement, effective February 1936, the 50-percent ad valorem rate on the higher value classification was reduced to 30 percent ad valorem. In 1937, a year of favorable business conditions, imports under both classifications increased. In the two subsequent years, however, total annual imports declined to less than the average for the 5 years (1931-35) immediately preceding the Swiss agreement.

In 1939 imports valued above \$1.75 a pound on the basis of rates of duty then applicable had a duty-paid value of at least \$2.78 a pound, or substantially above the average value of production in the United States. The market for imports in this value classification presumably will be considerably extended in the future, because of the higher general price level which will shift many articles from the lower value bracket to the higher bracket on which the duty is lower.

Wool knit underwear: United States imports for consumption, by value classes, with principal sources, 1939

Value class	: Specific	: Ad valorem:	Total	Principal sources
	: equivalent	: equivalent:		
	: of the	: of the		
	: duty	: duty	: value	
	: Per pound	: Percent		
Valued per pound:				
Not more than \$1.75:	\$0.85	57	\$3,814	UNITED KINGDOM, \$3,298
More than \$1.75 —:	1.55	44	27,542	UNITED KINGDOM, \$15,145;
				Switzerland, \$9,856

Source: Official statistics of the U. S. Department of Commerce.

WOOL KNIT HEADWEAR (EXCEPT INFANTS' HEADWEAR VALUED
AT MORE THAN \$2 PER POUND)

FRANCE

(See wool knit outerwear, par. 1114(d))

Stat. import classes (1939): 3637.4 and 3637.5

United States production, exports, and imports, 1935, 1937-39, and 1943

Year	Production	Domestic exports	Imports for consumption from--				
			All countries	Czecho- slovakia	FRANCE	Japan	United Kingdom
Quantity (pounds)							
1935			217,139	94,363	81,717	33,888	769
1937	Not	Not	145,673	77,709	54,425	3,582	2,830
1938	avail-	avail-	88,025	55,197	31,484	10	470
1939	able	able <u>1/</u>	100,282	66,544	29,391	1,876	365
1943			<u>2/</u> 35,878	-	876	-	62
Value (dollars)							
1935	3,875,075		259,472	97,988	120,161	25,856	3,803
1937	2,854,040	Not	166,417	67,453	73,599	4,195	11,479
1938	n.a.	avail-	85,331	45,395	35,456	10	2,341
1939	3,559,917	able <u>1/</u>	95,352	59,708	27,803	1,966	1,715
1943	n.a.		<u>2/</u> 65,197	-	1,036	-	427
Unit value (per pound)							
1935			\$1.19	\$1.04	\$1.47	\$0.76	\$4.95
1937	Not	Not	1.14	.87	1.35	1.17	4.06
1938	avail-	avail-	.97	.82	1.13	1.00	4.98
1939	able	able	.95	.90	.95	1.05	4.70
1943			1.82	-	1.18	-	6.89

1/ Probably negligible.2/ Includes 34,845 pounds, valued at \$63,423, imported from Argentina.

Source: Official statistics of the U. S. Department of Commerce.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate	
Par. 1114(d)			
Hats, bonnets, caps, berets, and similar articles, knit or crocheted, finished or unfinished, wholly or in chief value of wool:			
Valued at not more than \$2 per lb.:			
Not in part of wool felt -----	44¢ lb.	44¢ lb.	FRANCE
	+ 45%	+ 30%	
	ad val.	ad val. <u>1/</u>	
In part of wool felt -----	44¢ lb.	44¢ lb.	do.
	+ 45%	+ 45%	
	ad val. <u>2/</u>	ad val. <u>2/</u>	
Valued at more than \$2 per lb. (except infants' hats, bonnets, etc.)	50¢ lb.	50¢ lb.	do.
	+ 50%	+ 50%	
	ad val. <u>2/</u>	ad val. <u>2/</u>	

1/ Trade agreement with France, effective June 1936. Reduced rate does not apply to articles "in part of wool felt," which at the time the trade agreement was negotiated were classified in paragraph 1115(b); since 1938 such articles have been dutiable under paragraph 1114(d). See footnote 2/.

2/ Before 1938 knit or crocheted wool hats, etc. "in part of wool felt" were dutiable under paragraph 1115(b) of the tariff act; the rate in the 1930 act was 40 cents per pound plus 75 percent ad valorem, plus 25 cents per article if pulled, stamped, blocked, or trimmed, including finished articles (reduced to 40 cents per pound plus 55 percent ad valorem, plus 12½ cents per article by Presidential proclamation under section 336, effective April 1931). As a result of the legislative amendment of paragraph 1115(b) in 1938, these articles became dutiable under paragraph 1114(d).

Note.- The cents-per-pound portion of the duty is intended to be compensatory for the duty on raw wool and is less on the less expensive garments because these are assumed to consist in part of materials other than virgin wool. The ad valorem equivalent of the compound duty on imports in each value bracket in 1939 is given in the table at the end of the comment.

WOOL KNIT HEADWEAR (EXCEPT INFANTS' HEADWEAR VALUED AT
MORE THAN \$2 PER POUND)-Continued

Comment

The import classifications considered here do not include infants' headwear valued at more than \$2 per pound, which is dutiable at two different rates established July 11, 1932, under section 336 of the Tariff Act of 1930. Such headwear is treated in the digest covering wool knit outerwear.

The domestic wool knit headwear industry produces approximately 1 million dozen units annually. ^{1/} Imports since the middle 1930's have been small relative to domestic production. In the years 1929-31, however, Basque-type berets, imported chiefly from France, achieved such popularity in the United States that imports of wool knit headwear during that period totaled between \$500,000 and \$1,000,000 annually in foreign value. At the peak in 1931 imports were estimated to have been about one-half million dozen pieces. With the passing of the fad for Basque-type berets, imports of wool knit headwear declined and Czechoslovakia replaced France as the principal supplier. At the present time (June 1946) the Basque-type beret appears to be attaining renewed popularity.

Prewar imports of wool knit headwear fluctuated greatly with changes in demand for particular styles. The decline which began in 1932 continued after the rate reduction in the French trade agreement.

Wool knit or crocheted headwear: United States imports for consumption
by value classes, with principal sources, 1939

Value class	Specific	Ad valorem	Total	Principal sources
	equivalent	equivalent		
	of the duty	of the duty		
	<u>Per pound</u>	<u>Percent</u>		
Value per pound:				
Not more than \$2 ^{1/} ---	\$0.71	79	\$88,561	Czechoslovakia, \$59,434; FRANCE, \$25,509; Japan, \$1,966
More than \$2 -----	2.62	62	6,791	FRANCE, \$2,294; United Kingdom, \$1,694; Norway, \$1,264

^{1/} This class does not include headwear in part of wool felt. Imports of wool knit or crocheted headwear in part of wool felt, first reported in 1941, amounted in that year to 608 pounds, valued at \$659, on which the duty was equivalent to 66 percent ad valorem; imports not in part of wool felt in the same value class amounted to 47,401 pounds, valued at \$45,008.

^{1/} The description "knit" headwear is used throughout this discussion to include the complete tariff description "knit or crocheted" headwear.

WOOL KNIT OUTERWEAR, EXCEPT HEADWEAR, HOSIERY, AND GLOVES
(Infants' wool knit headwear valued over \$2 per pound
is included in this digest; for other wool knit
headwear in par.1114(d) see separate digest)

Par.No.
1114(d)
UNITED
KINGDOM

Stat. import classes (1939): 3637.2, 3637.3, 3637.7, 3637.83, and 3637.85

United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports <u>1/</u>	Imports for consumption from--				
			All countries	UNITED KINGDOM	France	Switzer- land	Belgium
Quantity (1,000 pounds)							
1937	Not avail- able <u>2/</u>	n.a.	305	177	9	6	7
1938		n.a.	179	117	11	6	6
1939		n.a.	188	135	9	8	11
1943		<u>3/</u> 531	<u>4/</u> 87	43	-	-	-
Value (1,000 dollars)							
1937	Not avail- able <u>2/</u>	388	1,610	1,204	49	24	17
1938		358	1,011	301	51	28	15
1939		414	1,036	876	49	34	32
1943		<u>3/</u> 1,062	<u>4/</u> 579	473	-	-	-
Unit value (per pound)							
1937	Not avail- able <u>2/</u>	n.a.	\$5.27	\$6.82	\$5.71	\$4.40	\$2.39
1938		n.a.	5.63	6.87	4.80	4.80	2.38
1939		n.a.	5.51	6.50	5.63	4.49	2.85
1943		<u>5/</u> \$2.00	6.66	11.09	-	-	-

1/ Total wool knit wearing apparel, including bathing suits.

2/ Estimated at about 40 million pounds valued at 30 million dollars in 1939.

3/ Includes 379 thousand pounds valued at 663 thousand dollars exported under lend-lease.

4/ Includes 37 thousand pounds valued at 64 thousand dollars free as an act of international courtesy, principally from Canada.

5/ Based on gross shipping weight.

Source: Official statistics of the U. S. Department of Commerce, except as noted.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate	
Par. 1114(d) Outerwear and articles of all kinds, knit or crocheted, finished or unfinished, wholly or in chief value of wool, and not specially provided for: Infants' outerwear (except hats, bonnets, caps, berets, and similar articles), valued at more than \$2 per pound: Made or cut from jersey fabric knit in plain stitch on a circular machine. Other	50¢ lb. + 50% ad val.	50¢ lb. + 25% ad val. <u>1/</u>	UNITED KINGDOM do.
	50¢ lb. + 50% ad val.	50¢ lb. + 50% ad val. <u>2/</u>	

See footnotes on following page.

WOOL KNIT OUTERWEAR, EXCEPT HEADWEAR, HOSIERY, AND GLOVES-Continued

<u>Item</u>	<u>United States tariff</u>		<u>Proposed negotiating country</u>
	<u>Act of 1930</u>	<u>1945 rate</u>	
Outerwear and articles of all kinds, knit or crocheted, etc.-Con.			
Infants' hats, bonnets, caps, berets, and similar articles of outerwear, valued at more than \$2 per pound:			
Made or cut from jersey fabric knit in plain stitch on a circular machine.	50¢ lb. + 50% ad val.	50¢ lb. + 25% ad val. ^{3/}	UNITED KINGDOM
Other -----	50¢ lb. + 50% ad val.	50¢ lb. + 75% ad val. ^{3/}	do.
Other outerwear and articles (except hats, bonnets, caps, berets, and similar articles):			
Valued at not more than \$2 per pound.	44¢ lb. + 45% ad val.	44¢ lb. + 45% ad val.	do.
Valued at more than \$2 but not more than \$5 per pound -----	50¢ lb. + 50% ad val.	50¢ lb. + 40% ad val. ^{4/}	do.
Valued at more than \$5 per pound --	50¢ lb. + 50% ad val.	50¢ lb. + 30% ad val.	do.

1/ Sec. 336, effective July 1932; rate bound in trade agreement with the United Kingdom, effective January 1939.

2/ Rate increased to 50 cents per pound and 75 percent under sec. 336, effective July 1932; reduced to 50 cents per pound and 50 percent in trade agreement with the United Kingdom, effective January 1939.

3/ Sec. 336, effective July 1932.

4/ Trade agreement with the United Kingdom, effective January 1939.

Note.- The ad valorem equivalents of the compound rates of duty are given for infants' and other knit outerwear in the table at the end of the comment.

Comment

The wool knit or crocheted outerwear under consideration here includes a variety of articles such as sweaters, bathing suits, shawls, scarfs, dresses, suits, and infants' wear. Not included but treated in other digests are headwear (except infants' headwear valued over \$2 per pound) in paragraph 1114(d), outerwear ornamented with lace or embroidery (par. 1529(a)), and hosiery and gloves (pars. 1114(b) and 1529(a)).

Wool knit outerwear is made from a wide range of woollen and worsted yarns and yarn mixtures such as wool-and-cotton and wool-and-rayon. Cashmere, the hair of the cashmere goat, is used in high-priced garments; Angora, the hair of the Angora rabbit, is used in women's and in infants' garments and for trimmings. Garments may be made, by cutting and sewing, from wool fabrics knit in the piece; or they may be knit full-fashioned on flat machines, knit on full-fashioned machines, or knit by hand. Jersey fabric is used extensively for cut-and-sewed outerwear, especially for children's and women's suits and dresses. Garments for children are frequently knit in straight selvaged pieces which are assembled and seamed.

WOOL KNIT OUTERWEAR, EXCEPT HEADWEAR, HOSIERY, AND GLOVES-Continued

There are a number of more or less distinct branches of the wool knit outerwear industry in the United States. The main divisions are: (1) Men's and boys' wear, (2) women's and misses' wear, (3) infants' wear, and (4) headwear. Only a few mills make all of these various types. In each of the first three divisions there are further subdivisions according to quality ranges. Small concerns predominate in the industry. Total domestic production of wool knit outerwear has been estimated at approximately 80 million dollars in 1939. Sweaters represented the major portion of this output and bathing suits were next in importance; in some earlier years suits and dresses were more important than bathing suits in value of production.

Imports of wool knit outerwear have included a wide variety of articles ranging in value from less than \$1 to more than \$40 per pound. Imports of infants' wear valued at more than \$2 per pound have come chiefly from the United Kingdom, and have consisted largely of ribbed knit suits for small boys, purl knit goods, and hand-knit articles for babies. Entries have been almost entirely under the classification for outerwear other than jersey. Jersey fabric is produced extensively in the United States and used for cut-and-sewed outerwear.

Imports (other than infants' wear) valued at more than \$2 per pound have consisted in large measure of expensive garments of distinctive types or qualities not made in the United States. The United Kingdom, by far the main source, has supplied chiefly sweaters in staple styles. Imports from France have been more varied in style and type, largely women's and children's garments. Austria, a more important source of imports than France before 1938, supplied women's garments, particularly sweaters, sweater blouses, and negligee articles.

In the group valued at not more than \$2 per pound much of the importation has consisted of infants' hand crocheted sacques and booties from Japan and other articles of simple workmanship, such as bed jackets, shoulderettes, and scarfs.

Wool knit or crocheted outerwear and other articles, n.s.p.f.:
United States imports for consumption, by kinds,
by principal sources, 1939

Kind	:Equivalent : ad valorem : of the duty:	Total : value :	Principal sources
Infants' outerwear valued : more than \$2 per pound: (including headwear):	:	:	:
Jersey -----	36	\$1,864	UNITED KINGDOM, \$1,597
Other -----	62	69,924	UNITED KINGDOM, \$37,118; Switzerland, \$18,374; France, \$7,308
Other outerwear and articles (excluding headwear):	:	:	:
Not more than \$2 per lb.:	78	50,939	Japan, \$16,909; UNITED KINGDOM, \$15,669; Belgium, \$9,817
More than \$2, not more than \$5 per pound ----	55	173,383	UNITED KINGDOM, \$140,300; Switzerland, \$8,392, France, \$7,748
More than \$5 per pound	35	740,091	UNITED KINGDOM, \$681,785; France, \$31,170; Belgium, \$11,469

Source: Official statistics of the U. S. Department of Commerce.

WOOL WEARING APPAREL, NOT KNIT OR CROCHETED

Stat. classes (1939): 3640.0, 3640.1

United States production, exports, and imports, 1937-39 and 1943

Year	Production ^{1/}	Domestic exports	Imports for consumption from—				
			All countries	UNITED KINGDOM	Poland and Danzig	Belgium	France
			Quantity (pounds)				
1937	Not avail- able	Not avail- able	869,362	554,844	167,055	9,816	9,836
1938			362,541	229,202	44,752	20,717	6,713
1939			466,332	310,547	53,076	35,799	13,028
1943			^{2/} 390,975	149,207	66	-	-
			Value (dollars)				
1937	950,000,000	586,777	2,458,964	1,795,561	261,229	18,625	75,751
1938	n.a.	607,557	1,140,688	797,465	92,216	42,900	52,584
1939	900,000,000	816,538	1,278,288	946,623	83,970	63,374	56,111
1943	n.a.	^{3/2} 2,453,262	^{2/} 1,204,834	721,471	50	-	-

^{1/} Partially estimated by the U. S. Tariff Commission.

^{2/} Includes 198,216 pounds, valued at \$378,182, imported free from Canada as an act of international courtesy.

^{3/} Includes wearing apparel valued at \$908,691 exported under lend-lease.

Source: Official statistics of the U. S. Department of Commerce.

Item	United States tariff ^{1/}		Proposed negotiating country
	Act of 1930	1945 rate	
Par. 1115(a)			
Wool wearing apparel not knit or crocheted (except hats and hat bodies):			
Valued not over \$4 per pound ----	33¢ lb. + 45%	33¢ lb. + 30% ^{2/}	UNITED KINGDOM
Valued over \$4 per pound -----	50¢ lb. + 50%	50¢ lb. + 30% ^{2/}	UNITED KINGDOM

^{1/} The specific portion of the duties (33 and 50 cents per pound) is intended as compensatory for the duty on the raw material.

^{2/} Trade agreement with the United Kingdom, effective January 1939.

Note: For specific and ad valorem equivalents of the duties see table at end of digest.

Comment

Recorded factory production of wool wearing apparel in the United States normally is valued at 750 to 1,000 million dollars a year, of which approximately two-thirds is men's wear and one-third is women's wear. In addition there is a considerable unrecorded production by the custom tailoring industry and in the home. The apparel industry consumes most of the output of the domestic woolen and worsted industry, which industry in turn uses almost all of the wool grown in the United States as well as most of the wool imported. Principal items of production are men's and women's suits and coats. The wool apparel industry is largely concentrated in urban areas, especially in and around New York, Rochester, Philadelphia, Chicago, and Los Angeles; it normally employs in the neighborhood of 200,000 to 225,000 persons.

Wool wearing apparel has never been an important commodity in international commerce. One factor limiting United States import trade has been the element of style. Moreover, in no other country has the factory production of wool garments reached such enormous proportions as in the United States. In most foreign

WOOL WEARING APPAREL, NOT KNIT OR CROCHETED-Continued.

countries before the war, wool garments were made chiefly by the custom tailor or in the home, and consequently were not products for international trade. Although factory production abroad was expanded during the war to provide military clothing, it is doubtful if foreign producers will be able to compete in styled garments in this market even if duties were much lower than at present.

Prewar imports into the United States consisted chiefly of men's and boys' overcoats from the United Kingdom, and women's model gowns from France. Coolie coats from Japan were imported in considerable quantity at one time, but their style vogue did not last long.

The following table shows for 1939 the principal sources of imports, and the specific and ad valorem equivalents of the duty.

Wool wearing apparel: United States imports for consumption,
and specific and ad valorem equivalents of the duty,
by kinds, with principal sources, 1939

Kind	: Specific	: Ad valorem:	Total	Principal sources
	: equivalent:	: equivalent:		
	: of the	: of the		
	: duty	: duty	: value	
	: <u>Per pound:</u>	: <u>Percent</u>		
Wool wearing apparel:	:	:	:	:
Valued not over	: \$1.01	: 45	: \$910,627	: UNITED KINGDOM, \$651,482;
\$4 per lb.	:	:	:	: Poland and Danzig, \$81,550;
	:	:	:	: Belgium, \$62,884
Valued over \$4	: 2.27	: 39	: 367,661	: UNITED KINGDOM, \$295,141;
per lb.	:	:	:	: France, \$33,011;
	:	:	:	: Switzerland, \$26,319
	:	:	:	:

Source: Official statistics of the U. S. Department of Commerce.

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WOOL-FELT HATS

Stat. import classes (1939): 3639.3, 3639.5

United States production, exports, and imports, 1937-39 and 1943

Year	Pro- duction 1/	Domestic exports	Imports for consumption from--				
			All countries	FRANCE	Italy	United Kingdom	Switzer- land
Quantity (number)							
1937	2,538,536	198,678	12,244	4,730	2,530	1,274	33
1938	n.a.	176,177	1,828	181	1	388	6
1939	4,430,556	182,017	4,191	264	1,846	373	1,413
1943	n.a.	222,921	2/ 262	-	-	-	-
Value (dollars)							
1937	2,847,686	152,987	9,400	4,017	830	1,434	27
1938	n.a.	142,488	2,937	811	6	508	5
1939	3,420,711	206,348	1,866	525	388	363	332
1943	n.a.	276,508	2/ 214	-	-	-	-

1/ Men's and boys' wool-felt hats manufactured complete in plant.
2/ Includes 121 valued at \$100 from Sweden, 3 valued at \$90 from Mexico, and 108 valued at \$35 from Uruguay.
Source: Official statistics of the U. S. Department of Commerce.

<u>Item</u>	<u>United States tariff</u>		<u>Proposed</u> <u>negotiating</u>
	<u>Act of</u> <u>1930</u>	<u>1945</u> <u>rate</u>	<u>country</u>
Par. 1115(b)			
Hats, bonnets, caps, berets, and similar articles, wholly or in chief value of wool but not knit or crocheted nor made in chief value of knit, crocheted, or woven material, if blocked, or trimmed (including finished hats, bonnets, caps, berets, and similar articles):			
Valued at not more than \$12 per dozen -----	40¢	40¢ lb.	
	1b. +	+ 55% +	
	75% +	12 1/2% ea. 1/	
	25¢ ex.		FRANCE
Valued at more than \$12 per dozen -----	40¢	40¢ lb.	
	1b. +	+ 40% +	
	75% +	8% ea. 2/	do.
	25¢ ex.		

1/ Reduced to this rate effective April 1931 under section 336 of the Tariff Act of 1930.
2/ Reduced to 40% lb. + 55% + 12 1/2% each effective April 1931 under section 336 of the Tariff Act of 1930, and further reduced to the rate here given effective January 1939 under the trade agreement with the United Kingdom.
Note.- The ad valorem equivalents of the duties in 1939 are given in the table at the end of the comment.

WOOL-FELT HATS--Continued

Comment

Wool-felt hats are made from wool noils and a small admixture of raw wool. They are designed for an inexpensive trade as compared with the somewhat larger supply of the higher-priced fur felt hats.

Hats which have been blocked or trimmed (finished hats), represent a minor part of the total imports of wool-felt hats, the imports of unfinished hats being many times larger. The unfinished hats consist largely of hat bodies most of which are used for making women's and children's hats.

The duty on imports of finished hats is slightly higher than the rate (40¢ lb. plus 55%) on hats "not pulled, stamped, blocked, or trimmed," of which the imports (chiefly from Italy and Japan) were \$797,000 in 1939.

The imports of finished wool-felt hats are mainly for men and boys, and are very small compared with domestic production and exports. In the past, imported hats have sold on the average at somewhat higher prices than similar hats produced here. As compared with an average value of 70 cents each for men's wool-felt hats produced in this country, the total imports in 1939 had an average duty-paid value of 85 cents each. The greater part of the imports in that year, however, consisted of hats valued at not more than \$1 each (\$12 per dozen) and for these, the average duty-paid value was 60 cents each, or low enough to permit sale at prices close to the average for men's wool-felt hats produced here. (Imports in 1939 by value brackets, by principal sources are shown in the table below.)

The total production of the wool-felt hat industry in the United States consists for the most part of hat bodies sold as such to establishments for conversion into women's hats. In 1939 the Census recorded 12 establishments with 4,421 wage earners in this industry; wages amounted to \$4,210,000 and the total value of products to \$16,010,000.

It is impossible to determine whether the reduction in duty on wool-felt hats, valued at more than \$12 per dozen, made in the trade agreement with the United Kingdom (effective January 1, 1939) had any effect on the imports of that year. It may be presumed that if this reduced rate remains in effect after the war, the imports of hats under this value bracket will, on the average, be somewhat greater than under the rate previously in effect.

Wool-felt hats blocked, trimmed, or finished: United States imports for consumption, by value brackets, with principal sources, 1939

Value bracket	: Ad valorem : : equivalent : : of the duty:	Total : value :	Principal sources
	: Percent :	:	
Valued at not more than \$12 per dozen -----	: 122 :	: \$1,089 :	Italy, \$381; Switzerland, \$332; FRANCE, \$40
Valued at more than \$12 per dozen -----	: 47 :	: 777 :	FRANCE, \$485; United Kingdom, \$162
	:	:	

Source: Official statistics of the U. S. Department of Commerce.

CAMEL HAIR (FREE UNDER BOND)

Stat. import classes (1939): 3510.01, 3511.01, 3511.11, 3511.21, 3511.31

United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from--			
			All countries	CHINA	Syria	Iraq
Quantity (1,000 pounds--actual weight)						
1937 ----	N	N	44	43	1	-
1938 ----	O	O	1	1	<u>1/</u>	-
1939 ----	N	N	32	12	10	10
1943 ----	E	E	<u>2/</u> 4	-	-	-
Value (1,000 dollars)						
1937 ----	N	N	15	15	<u>1/</u>	-
1938 ----	O	O	<u>1/</u>	<u>1/</u>	<u>1/</u>	-
1939 ----	N	N	6	3	2	1
1943 ----	E	E	<u>2/</u> 1	-	-	-

1/ Less than 500.

2/ Imported from Iran.

Source: Official statistics of the U. S. Department of Commerce.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate	
Par. 1101(b). Camel hair entered under bond for use in the manufacture of press cloth, belting, etc. ---	Free	Free	CHINA
Comment			

Camel hair is entered free (under bond) for use almost entirely in press cloth and weather resistant belting. Such entries consist, so far as possible, of the outer or coarse "beard" hair, the soft undergrowth being combed out and sold as noils to manufacturers of apparel fabrics. For many years prior to the war China was the principal source despite control of Chinese ports by the Japanese after 1937. Owing largely to shortage of shipping, imports were greatly curtailed during the war, and in 1943 entries were made only from Iran.

CARPET WOOLS AND ALL OTHER WOOLS NOT FINER THAN 40s, FREE UNDER BOND
FOR MANUFACTURE INTO SPECIFIED ARTICLES ("CARPET" WOOL)-Continued

Until the trade routes from China were closed by the Japanese in 1937, China was usually the chief source of United States imports, usually followed by Argentina, India, and the United Kingdom in the order named. Iraq, Italy, Egypt, Palestine and Syria, Eire, New Zealand, and France also supplied significant quantities, and relatively small entries were made from a considerable number of other countries. After 1937, which was more representative of prewar imports than 1938 or 1939, China became a comparatively unimportant source, and Argentina, India, and Iraq became more important than formerly. All imports were curtailed greatly during the war, as exemplified by entries in 1943, largely because of shortage of shipping space.

The following tabulation shows duty-free entries of so nominal or true carpet (unimproved) wools, and improved wools not finer than 40s, from the 6 principal suppliers in 1937 and 1939, in thousands of pounds.

Carpet wools: Duty-free imports by principal sources, 1937 and 1939

Country	1937				1939		
	True carpet wools	Other wools	Total		True carpet wools	Other wools	Total
Argentina -----	38,126	2,125	40,251	:	42,724	2,769	45,493
China -----	27,547	17	27,564	:	2,273	38	2,311
India -----	24,908	165	25,073	:	36,781	234	37,015
United Kingdom ---	10,243	105	10,348	:	8,819	28	8,847
New Zealand ^{1/} -----	-	17,993	17,993	:	-	9,219	9,219
Iraq -----	8,600	-	8,600	:	10,509	-	10,509
Total, all countries:	146,520	20,911	166,431	:	130,303	13,071	143,374

^{1/} The bulk of the entries from New Zealand were classed as true carpet wools, although there is no production of unimproved wools in New Zealand.

Source: Official statistics of the U. S. Department of Commerce.

CARPET WOOLS AND ALL OTHER WOOLS NOT FINER THAN 40s, FREE UNDER BOND
FOR MANUFACTURE INTO SPECIFIED ARTICLES ("CARPET" WOOL)

Stat. import classes (1939): 3501.01-3502.31 and 3506.01-3509.31 (15 classes)

United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from--				
			All countries	Argentina	INDIA <u>1/</u>	New Zealand	China
	Quantity (1,000 pounds, actual weight)						
1937 -	N	N	166,431	40,251	25,073	17,993	27,564
1938 -	O	O	70,021	25,040	14,198	2,504	2,152
1939 -	N	N	143,374	45,493	37,015	9,219	2,311
1943 -	E	E	29,128	10,379	2,375	<u>2/</u>	296
	Value (1,000 dollars)						
1937 -	N	N	44,999	10,303	7,123	4,768	7,256
1938 -	O	O	12,559	3,978	2,655	460	468
1939 -	N	N	25,685	7,682	6,744	1,378	325
1943 -	E	E	7,118	1,762	689	<u>2/</u>	63

1/ Includes Burma in 1937.

2/ Less than 500.

Source: Official statistics of the U. S. Department of Commerce.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate	
Par. 1101 (b) Donskoi, Smyrna, Cordova, etc.; similar wools without merino or English blood; and all other wools not finer than 40s; all the foregoing when entered or withdrawn from warehouse, under bond and used in the manufacture of press cloth, camel's hair belting, knit or felt boots, heavy pulled lumbermen's socks, rugs, carpets, or any other floor coverings -----	Free	1/Free	INDIA
1/ Free entry status bound in trade agreement with Argentina, effective November 1941.			

Comment

There is no United States production of carpet wools, aside from a very limited output on one or two Indian reservations where the wool is processed by the Indians into blankets chiefly for the tourist trade. The United States production of improved wools not finer than 40s amounts to about 0.5 percent of the total domestic output. These coarse improved wools have substantial price support from the duties on like wools if used in the production of blankets, apparel, etc., and are too high in price to permit their use by domestic carpet mills in competition with similar wools imported duty-free under bond. The entire United States consumption of carpet and other wools not finer than 40s in the specified uses for which entry is made duty-free (under bond) is, therefore, supplied by imports.

WOOL CARPETS AND RUGS (SUMMARY DIGEST)

(Separate digests follow on the various types of carpets and rugs under consideration)

Stat. import classes (1939): 3660.0, 3661.0, 3661.1, 367.01, 367.02, 367.03, 367.04, 367.05, 367.11, 367.12, 367.13, 367.14, 367.15, 367.23, 367.52, 367.53, 367.56, 367.57

United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption ^{1/} from---				
			All countries	Iran	CHINA	Belgium	India
	Quantity (1,000 square yards)						
1937 --	65,346	119	1,708	299	153	110	^{2/} 747
1938 --	n.a.	103	1,076	208	143	36	439
1939 --	61,864	99	1,946	267	278	496	527
1943 --	n.a.	256	153	74	2	3	29
	Value (1,000 dollars)						
1937 --	149,899	319	5,591	2,679	869	134	^{2/} 641
1938 --	n.a.	329	3,669	1,948	603	50	402
1939 --	147,706	280	4,547	2,010	706	584	428
1943 --	n.a.	908	994	675	9	25	72

^{1/} By principal sources. Imports from proposed negotiating countries are shown in the accompanying detailed digests.

^{2/} Includes imports from Burma.

Source: Official statistics of the U. S. Department of Commerce.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate	
Par. 1116(a) Oriental and other carpets, rugs, and mats, not made on a power-driven loom -----	50¢ per sq.ft. but not less than 45% ad val.	25¢ per sq. ft. but not less than 22½% ad val. ^{1/}	CHINA
Par. 1116(b) Carpets, rugs, and mats of oriental weave, produced on a power-driven loom -----	60% ad val.	40% ad val. ^{2/}	UNITED KINGDOM
Chenille-Axminster carpets, rugs, and mats -----	60% ad val.	40% ad val. ^{3/}	Do. CZECHOSLOVAKIA
Par. 1117(a) Axminster, Wilton, Brussels, velvet, and tapestry, and similar carpets, rugs, and mats: Valued not over 40¢ per sq. ft.: Wilton -----	40% ad val.	40% ad val. ^{4/}	CZECHOSLOVAKIA
Other -----	40% ad val.	40% ad val.	FRANCE, BELGIUM
Valued over 40¢ per sq. ft. -----	60% ad val.	40% ad val. ^{2/}	UNITED KINGDOM
Par. 1117(b) Ingrain carpets, rugs, and mats -----	25% ad val.	25% ad val.	Not under consideration for proposed negotiation.

Continued on following page

WOOL CARPETS AND RUGS (SUMMARY-DIGEST) - Continued

<u>Item</u>	<u>United States tariff</u>		<u>Proposed</u>
	<u>Act of</u>	<u>1945</u>	<u>negotiating</u>
	<u>1930</u>	<u>rate</u>	<u>country</u>
Par. 1117(c)			
All other floor coverings, including mats and druggets, n.s.p.f.:			
Mohair:			
Valued not over 40¢ per sq. ft.	30% ad val.	30% ad val. ^{2/}	UNITED KINGDOM
Valued over 40¢ per sq. ft.---	60% ad val.	40% ad val. ^{2/}	Do.
Other:			
Valued not over 40¢ per sq. ft.	30% ad val.	30% ad val.	CHINA
Valued over 40¢ per sq. ft. --	60% ad val.	60% ad val.	Do.
1/ Trade agreement with Iran, effective June 1944; previously reduced to 30 cents per square foot, but not less than 45 percent ad valorem. In trade agreement with Turkey, effective May 1939.			
2/ Trade agreement with the United Kingdom, effective January 1939.			
3/ Trade agreement with the United Kingdom, effective January 1939; previously specified at the same rate in trade agreement with Czechoslovakia, effective April 1938 to April 1939.			
4/ Bound in trade agreement with Czechoslovakia, effective April 1938 to April 1939.			
Note.- The ad valorem equivalent of the duties in paragraph 1116(a) for 1939 amounted to 51 percent.			

Comment

Total imports of wool carpets and rugs customarily represent 3 to 4 percent by quantity and a somewhat greater proportion by value of the supply of wool carpets and rugs in the United States. The imports are chiefly Oriental and other hand-made rugs, wool druggets and Numdah rugs (dutyable under par. 1117(c)) from British India; and hooked rugs (also dutyable under par. 1117-c) from China and Japan. Imports also include smaller quantities of machine-made rugs from Europe.

There is no production in the United States of hand-knotted wool rugs, or of wool druggets or Numdah rugs. Imported hand-made rugs are customarily sold in this country at prices considerably above those of the machine-made rugs produced here. Wool druggets, Numdah and imported hooked rugs are low-priced floor coverings used principally in summer homes and bedrooms; they compete indirectly, if at all, with the large domestic production of machine-made wool carpets and rugs.

Production in the United States consists principally of machine-made Axminster, velvet and Wilton rugs, with smaller quantities of chenille and Smyrna rugs. The small imports of rugs similar to those manufactured in this country came from Europe. Machine-made carpeting produced and used in Europe does not differ greatly from that manufactured in the United States with regard to construction, but differs somewhat with regard to design. The European manufacturer does not confine himself to mass production to such an extent as the American producer and so is able to supply specialties in unusual colors and designs, which may be made up for a very small order.

The United States wool carpet and rug industry is located principally in New York, Pennsylvania and New Jersey. In 1939 it consisted of 43 weaving establishments and 18 woolen and worsted yarn plants employing altogether approximately 29,000 wage earners. Four large concerns are reported to account for about 75 percent of the total production.

WOOL CARPETS AND RUGS ((SUMMARY DIGEST)) - Continued

During World War II, as during World War I, carpet and rug manufacturers in the United States were engaged principally in the production of wool blankets and cotton duck for military purposes. Production of floor coverings during the war was about 25 percent of the normal output. At the present time stocks are negligible, most homes are in need of replacements, and large additional requirements are anticipated for outfitting new homes.

Wool carpets and rugs: United States imports for consumption,
by kinds, with principal sources, 1939

Par.	Kind	Total value	Principal sources
1116	Oriental and other carpets, rugs, and mats not made on a power-driven loom -----	\$2,577,281	Iran, \$2,009,425; China, \$334,152
1116	Carpets, rugs, and mats of oriental weave, produced on a power-driven loom -----	4,141	France, \$1,765; UNITED KINGDOM, \$1,157
	Chenille-Axminster carpets, rugs, and mats -----	25,569	UNITED KINGDOM, \$23,101; CZECHOSLOVAKIA, none.
1117	Axminster, Wilton, Brussels, velvet and tapestry, and similar carpets, rugs, and mats:		
	Valued not over 40¢ per sq. ft.:		
	Wilton -----	212,002	Belgium, \$83,199; France, \$81,919; CZECHOSLOVAKIA, \$12,927
	Other -----	720,532	BELGIUM, \$488,407; FRANCE, \$165,404;
	Valued over 40¢ per sq.ft.:	8,256	Belgium, \$3,042; France, \$2,975; UNITED KINGDOM, \$1,276
1117	Ingrain carpets, rugs, and mats -----	-	
1117	All other floor coverings, including mats and druggets, n.s.p.f.:		
	Mohair:		
	Valued not over 40¢ per sq. ft. -----	80,260	UNITED KINGDOM, \$50,533; India, \$23,411
	Valued over 40¢ per sq. ft. -----	296	UNITED KINGDOM, \$157; Italy, \$139
	Other:		
	Valued not over 40¢ per sq. ft. -----	912,563	CHINA, \$367,721; India, \$351,653
	Valued over 40¢ per sq. ft. -----	6,561	Canada, \$4,265; CHINA, \$1,755.

Source: Official statistics of the U. S. Department of Commerce.

OF MEDICAL EDUCATION IN THE UNITED STATES. The American Medical Association has been deeply concerned with the problem of medical education in this country for many years. It has endeavored to secure the highest standards of medical education and to protect the public interest by maintaining the integrity of the medical profession. The Association has been successful in its efforts to secure the recognition of the American Medical Association as the representative body of the medical profession in the United States.

THE AMERICAN MEDICAL ASSOCIATION
OFFICE OF THE SECRETARY
535 NORTH DEARBORN STREET
CHICAGO, ILL. 10

MEMBER OF THE AMERICAN MEDICAL ASSOCIATION
NAME
ADDRESS
CITY
STATE
ZIP

THE AMERICAN MEDICAL ASSOCIATION
OFFICE OF THE SECRETARY
535 NORTH DEARBORN STREET
CHICAGO, ILL. 10

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ORIENTAL RUGS

Annex

Stat. import class (1939); 3660.0

United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from--				
			All countries	Iran	CHINA	India	Syria
	Quantity (square yards)						
1937	N	N	464,413	299,166	102,599	6,671	10,110
1938	O	O	294,046	207,057	64,116	5,319	2,525
1939	N	N	361,389	267,076	66,452	6,029	6,585
1943	E	E	1/ 93,336	74,300	793	7,564	235
	Value (dollars)						
1937	N	N	4,022,550	2,678,704	764,672	73,090	84,836
1938	O	O	2,650,424	1,946,210	454,739	60,385	25,727
1939	N	N	2,577,281	2,009,425	334,152	52,951	37,301
1943	E	E	1/ 829,371	675,098	6,727	54,408	1,933

1/ Includes 4,160 square yards, valued at \$29,493 from Mexico, and 2,223 square yards, valued at \$25,890 from Turkey.
Source: Official statistics of the U. S. Department of Commerce.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate	
Par. 1116(a) Oriental, Axminster, Savonnerie, Aubusson, and other carpets, rugs, and mats, not made on a power-driven loom, plain or figured, whether woven as separate carpets, rugs, or mats, or in rolls of any width -----	50¢ sq.ft. but not less than 45% ad valorem	25¢ sq.ft. but not less than 22½% ad valorem 1/	CHINA

1/ Trade agreement with Iran, effective June 1944; rate previously reduced to 30 cents per square foot but not less than 45 percent ad valorem, pursuant to the Turkish trade agreement, effective May 1939.

Note.- The ad valorem equivalent of the duty in 1939 (partly at the reduced rate of the Turkish agreement) was 51 percent; in 1943 (under the Turkish agreement rate), 47 percent, and in 1945, (after the further reduction by the Iran agreement), 24 percent.

Comment

Hand-made carpets and rugs are not produced on a commercial scale in the United States. Such floor coverings include the oriental or hand-made knotted-pile rugs and, to a less extent, European hand-tufted carpetings of wool or other material. Iran and China are the principal sources of United States imports. Subsequent to 1930, the introduction of washed machine-made rugs of domestic manufacture (so-called American orientals), together with higher duties and the depression, resulted in a severe decline in imports. Average annual imports in the decade 1931-40 were less than one-third as great in quantity as in the period 1921-30.

Imported hand-made rugs compete only indirectly with domestic machine-made carpets and rugs. Their most nearly direct competition is with the domestic sheen-type (washed) rugs, United States production of which amounted to $1\frac{1}{2}$ million square yards valued at 7 million dollars in 1939.

In recent pre-war years the imports of oriental rugs were affected by the trend, in interior decorating, toward colored walls and modern furniture, with which solid-color rugs in pastel shades were used. During and since the war a decisive factor has been the limited supplies abroad.

CARPETS, RUGS, AND MATS, OF ORIENTAL
WEAVE OR WEAVES, MADE ON A POWER-DRIVEN LOOM
(See general statement on Wool Carpets and Rugs)

Stat. import class (1939): 3661.0

United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from—				
			All countries	France	UNITED KINGDOM	Belgium	China
1937 1938 1939 1943	Quantity (square yards)						
	Not avail- able	Not avail- able <u>1/</u>	959	2	306	638	-
			314	11	235	-	-
			1,773	576	547	570	81
			<u>2/</u> 17	-	-	-	-
	Value (dollars)						
	Not avail- able	Not avail- able <u>1/</u>	1,979	10	851	1,069	-
			1,313	158	789	-	-
			4,141	1,765	1,157	776	443
			<u>2/</u> 65	-	-	-	-

1/ Known to be negligible. 2/ Imported from Germany (warehouse withdrawals).
Source: Official statistics of the U. S. Department of Commerce.

Item

United States tariff

Proposed
negotiating
country

Act of 1945
1930 rate

Percent ad valorem

Par. 1116 (b)

Carpets, rugs, and mats, of
oriental weave or weaves,
made on a power-driven loom -----

60 1/40

UNITED KINGDOM

1/ Trade agreement with United Kingdom, effective January 1939.

Comment

The term "oriental weave or weaves" means a weave similar to the genuine oriental, that is, knotted pile. Machine-made rugs of oriental weave are among the highest quality of machine-made rugs. Production in the United States and abroad is relatively small. United States production probably exceeds imports; it is mainly confined to special orders made according to the specifications of interior decorators.

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CHENILLE-AXMINSTER CARPETS, RUGS, AND MATS
(See General Statement on Wool Carpets and Rugs)

Stat. import class (1939): 3661.1

United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from--				
			All countries	UNITED KINGDOM	France	Belgium	CZECHO-SLOVAKIA
	Quantity (square yards)						
1937	Not avail-	Not avail-	28,958	20,194	-	188	8,209
1938	able	able <u>1/</u>	16,378	7,449	524	114	8,268
1939	able	able <u>1/</u>	10,296	9,135	446	638	-
1943	(see text)		681	649	-	-	-
	Value (dollars)						
1937	Not avail-	Not avail-	95,221	63,243	-	1,085	29,929
1938	able	avail-	50,703	22,621	1,468	300	26,190
1939	able	able <u>1/</u>	25,569	23,101	972	962	-
1943	(see text)		2,603	2,531	-	-	-

^{1/} Believed to be nil or negligible.

Source: Official statistics of the U. S. Department of Commerce.

Item	United States tariff	Proposed negotiating country
	Act of 1945	
	1930 rate	
	Percent ad valorem	

Par. 1116(b)

Chenille-Axminster carpets, rugs,
and mats -----60 ^{1/} 40UNITED KINGDOM
CZECHOSLOVAKIA^{1/} Trade agreement with Czechoslovakia, effective April 1938; bound in the trade agreement with the United Kingdom, effective January 1939.Comment

In the manufacture of chenille-Axminster carpets and rugs, operation of the loom is intermittent, production slow, and labor cost high as compared with other types of machine-made floor coverings. The domestic consumption of these carpets and rugs reached a peak in 1923 when production amounted to 552,000 square yards valued at \$4,357,000 and imports to 265,000 square yards valued at \$1,070,000. In later years the development of wide looms for weaving spool Axminster, velvet and Wilton carpets was responsible for a decline in the consumption of chenille Axminster. Production has not been separately recorded since 1935 when it amounted to 122,000 square yards valued at \$339,000. In recent prewar years production was by a very small number of manufacturers, all of whom produced both chenille-Axminster and other types of floor covering.

In the twenties, when imports were large, they were directly competitive with a great part of the domestic production, but under the Tariff Act of 1930 they have been confined to types of special design or color which are sold in the United States at higher prices than similar floor coverings of domestic manufacture.

AXMINSTER (SPOOL), WILTON, BRUSSELS, VELVET OR TAPESTRY,
AND SIMILAR CARPETS, RUGS, AND MATS

(See General Statement on Wool Carpets and Rugs)

Stat. import classes (1939): 367.01, 367.02, 367.03; 367.04, 367.05, 367.11,
367.12, 367.13, 367.14, 367.15

United States production, exports, and imports, 1937-39 and 1943

Year	Pro- duction <u>1/</u>	Domestic exports <u>2/</u>	Imports for consumption from--				
			All countries	BELGIUM	FRANCE	UNITED KINGDOM	Germany <u>3/</u>
	Quantity (1,000 square yards)						
1937	65,346	119	273	105	37	14	11
1938	n.c.	103	152	30	44	4	6
1939	<u>4/</u> 61,864	99	720	490	164	18	8
1943	n.a.	256	21	3	<u>5/</u>	17	<u>5/</u>
	Value (1,000 dollars)						
1937	149,899	319	554	117	113	37	39
1938	n.a.	329	297	39	104	11	19
1939	<u>4/</u> 147,706	280	941	575	250	35	24
1943	n.a.	908	73	25	<u>5/</u>	46	<u>5/</u>

1/ Total production of wool carpets and rugs including comparatively small quantities of chenille-Axminster and machine-made knotted pile types.

2/ Total rugs and carpets.

3/ Includes Austria beginning 1938.

4/ Net sales.

5/ Less than 500.

Source: Official statistics of the U. S. Department of Commerce.

Item

United States tariff

Proposed
negotiating
country

Act of 1945
1930 rate

Percent ad valorem

Par. 1117(a)

Axminster carpets, rugs, and mats,
not specially provided for; Wilton
carpets, rugs, and mats; Brussels
carpets, rugs, and mats; velvet or
tapestry carpets, rugs, and mats;
and carpets, rugs, and mats, of like
character or description:

Valued not over 40 cents per
square foot:

Wilton ----- 40 1/ 40
Other ----- 40 40

CZECHOSLOVAKIA
FRANCE, BELGIUM

Valued over 40 cents per square
foot -----

60 2/ 40

UNITED KINGDOM

1/ Bound in trade agreement with Czechoslovakia, effective April 1938 to April 1939.

2/ Trade agreement with the United Kingdom, effective January 1939.

AXMINSTER (SPOOL), WILTON, BRUSSELS, VELVET OR TAPESTRY,
AND SIMILAR CARPETS, RUGS, AND MATS--Continued

Comment

The imports of carpets, rugs, and mats covered by this digest are of the same construction as those which constitute the bulk of domestic production. They are accordingly compared with the total production of wool carpets and rugs in the United States.

The imports consist predominantly of rugs made on a plush loom in imitation of the Wilton weave (included among "rugs of like character" in the table at the end of this comment); and of genuine Wilton rugs. Before the war imports were nearly all in the category "valued at not more than 40 cents per square foot," the average foreign value of which in 1937 was \$2.03 per square yard (22½ cents a square foot) and in 1939, \$1.31 per square yard (14½ cents a square foot).

Production in the United States consists predominantly of spool Axminster and plain velvet carpets and rugs. The production of Wilton rugs, with which the imports chiefly compete, is between 10 percent and 20 percent of the total; it amounted in 1939 to over 7 million square yards valued at 27 million dollars.

The duty-paid value of imports in the present category has generally been somewhat above the average value of wool carpets and rugs produced in the United States. In 1939, however, the reverse was true, the imports (duty-paid) being valued in that year at \$1.83 per square yard, as compared with \$2.39 per square yard for the rugs produced in this country. Imports in 1939 were considerably greater than in the immediately preceding years, and were about 1 percent of the consumption of wool carpets and rugs in the United States, (on the basis of quantity) and 9 percent of Wilton rug production.

Axminster (spool), Wilton, Brussels, velvet or tapestry, and similar
carpets, rugs, and mats: Imports for consumption,
by kind, from principal sources, 1939

Kind	Total value	Principal sources
Valued not over 40¢ per sq. ft.:		
Axminster, n.s.p.f. -----	12,074	United Kingdom, \$9,385; BELGIUM, \$1,215; FRANCE, \$798
Wilton -----	212,002	Belgium, \$83,199; France, \$81,919; Germany, \$15,006; CZECHOSLOVAKIA, \$12,927
Brussels -----	1,450	BELGIUM, \$1,450; FRANCE, none
Velvet or tapestry -----	672	FRANCE, \$672; BELGIUM, none
Rugs of like character -----	706,336	BELGIUM, \$485,642; FRANCE, \$163,934; Italy, \$20,393
Valued over 40¢ per sq. ft.:		
Axminster, n.s.p.f. -----	1,434	UNITED KINGDOM, \$566; France, \$868
Wilton -----	2,506	Belgium, \$2,164; UNITED KINGDOM, none
Brussels -----	796	UNITED KINGDOM, \$525; Belgium, \$271
Velvet or tapestry -----	none	
Rugs of like character -----	3,520	France, \$2,085; UNITED KINGDOM, \$185

1/ Includes Austria.

Source: Official statistics of the U. S. Department of Commerce.

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MOHAIR CARPETS, RUGS, AND MATS
(See General Statement on Wool Carpets and Rugs)

Par. No. 1117(c)
UNITED KINGDOM

Stat. import classes (1939): 357.52, 367.53

United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from--				
			All countries	UNITED KINGDOM	India	Japan	China
	Quantity (square yards)						
1937	Not available-negligible	Not available-negligible	n.a.	-	-	-	-
1938			n.a.	-	-	-	-
1939			51,397	20,874	27,020	1,742	386
1943			934	730	-	-	-
	Value (dollars)						
1937	Not available-negligible	Not available-negligible	n.a.	-	-	-	-
1938			n.a.	-	-	-	-
1939			80,556	50,690	23,411	3,435	836
1943			3,381	2,819	-	-	-

Source: Official statistics of the U. S. Department of Commerce.

Item	United States tariff		Proposed negotiating country
	Act of	1945	
	1930	rate	
	Percent ad valorem		

Par. 1117(c)

Floor coverings, including mats and druggets, wholly or in chief value of the hair of the Angora goat, not specially provided for:

Valued not over 40 cents per square foot -----	30	1/ 30)
Valued over 40 cents per square foot -----	60	1/ 40)

UNITED KINGDOM

1/ Trade agreement with the United Kingdom, effective January 1939.

Comment

Mohair rugs are an English specialty woven on Jacquard plush looms. The price of mohair grown in the United States exceeds the price of mohair in foreign countries by from a half to the whole of the duty of 34 cents per pound of clean content levied on imports of mohair into this country. For this reason production of mohair rugs in the United States is small, as such rugs cannot compete with similar rugs made from imported carpet wool (sheep wool) which is entered free of duty.

ALL OTHER FLOOR COVERINGS, INCLUDING MATS AND DRUGGETS,, WHOLLY OF IN-CHIEF
VALUE OF WOOL, NOT SPECIALLY PROVIDED FOR (OTHER THAN MOHAIR RUGS) 1/

(See General Statement on Wool Carpets and Rugs)

Stat. import classes (1939): 367.56, 367.57

United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from---				
			All countries	CHINA	India	Japan	United Kingdom
	Quantity (1,000 square yards)						
1937	Not	N	940	49	<u>2/</u> 740	86	25
1938	avail-	o	612	78	434	53	20
1939	able	n	800	210	494	68	8
1943	(See text)	e	<u>3/</u> 37	1	21	-	-
	Value (1,000 dollars)						
1937	Not	N	916	102	<u>2/</u> 568	129	56
1938	avail-	o	669	145	342	87	51
1939	able	n	919	369	352	141	15
1943	(See text)	e	<u>2/</u> 84	2	18	-	-

1/ Imports include mohair rugs prior to 1939. 2/ Includes imports from Burma.

3/ Includes 14 thousand square yards, valued at 1 thousand dollars, imported from Mexico.

Source: Official statistics of the U. S. Department of Commerce.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate	
	Percent ad valorem		
Par. 1117(c)			
All other floor coverings, including mats and druggets, wholly or in chief value of wool, n.s.p.f.:			
Valued not over 40 cents per square foot -----	30	30	CHINA
Valued over 40 cents per square foot -----	60	60	Do.
Comments			

Imports under paragraph 1117(c) are principally wool hooked rugs from China and Japan and wool druggets and Numdah rugs from British India.

Wool hooked rugs are made by hand, using a small hand punch or an electrically-driven needle to punch yarns (or, in some cases rag strips) through the meshes of jute burlap so as to form a looped pile on the face or top side. In the early part of the twentieth century there was a vogue for early American furniture and this was accompanied by a demand for colonial hooked rugs. The manufacture of wool hooked rugs was undertaken on a small scale in New England, using the hand-guided electrically driven needle, but this production had virtually ceased by 1935 when imports from Japan and China became large. Later the production of wool hooked rugs was undertaken in Puerto Rico; shipments therefrom to continental United States were valued at \$102,000 in 1943, and at \$261,000 in 1944. Puerto Rican rugs are superior in material and design to most of those imported from Japan and China.

ALL OTHER FLOOR COVERINGS, INCLUDING MATS AND
DRUGGETS, WHOLLY OR IN CHIEF VALUE OF WOOL, NOT SPECIALLY
PROVIDED FOR (OTHER THAN MOHAIR RUGS) 1/- Continued

India druggets, usually made with warp of cotton and coarse filling of wool or hair, are woven on hand looms only. In construction and pattern they somewhat resemble the Navajo rugs handwoven by the Navajo Indians. They are usually plainwoven but with designs made by using, in lieu of a full pick of a color, a pick composed of filling yarns of different colors. Such work can be done only by putting in and taking out, at each shed of the warp, shuttles carrying different colors; it cannot be done on power-driven looms.

Numdahs are felt rugs, made from rough wool or goat hair, ornamented in most cases with embroidery. No rugs at all similar to them are made in the United States.

ARTICLES MADE FROM CARPETS OR RUGS, N.S.P.F.

Stat. import class (1939): 3680.7

United States production, exports, and imports, 1937-39 and 1943

	Production	Domestic exports	Imports for consumption from--			
			All countries	UNITED KINGDOM	China	France
	Value (dollars)					
1937 ----	Not avail- able	Not available- probably nil	2,726	15	26	17
1938 ----			354	50	73	154
1939 ----			720	600	87	33
1943			1/ 41	-	-	-

1/ All from Canada.

Source: Official statistics of the U. S. Department of Commerce.

<u>Item</u>	<u>United States tariff</u>		<u>Proposed</u>
	<u>Act of</u>	<u>1945</u>	<u>negotiating</u>
	<u>1930</u>	<u>rate</u>	<u>country</u>
	<u>Percent ad valorem</u>		
Par. No. 1118			
Screens, hassocks, and all other articles, composed wholly or in part of carpets, rugs, or mats, and not specially provided for ———	30	30	UNITED KINGDOM
Comment			

Carpets and rugs are used to a small extent in making other articles such as screens and hassocks. These two articles are manufactures of carpeting and are mentioned specifically only as an indication of the scope of the paragraph, which includes any article made in whole or in part from carpets, rugs, or mats of wool, cotton, silk, rayon, or other fiber.

The small imports have consisted principally of hassocks, and saddle bags made from oriental rugs.

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1. The first part of the paper is devoted to a review of the literature on the topic of the role of the state in the development of the economy. It is found that the state has played a significant role in the development of the economy in many countries, particularly in the case of the United States. The state has been involved in the provision of infrastructure, the regulation of the economy, and the provision of social services. The state has also been involved in the provision of capital and the management of the economy. The state has been a major player in the development of the economy in many countries, particularly in the case of the United States.

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Stat. import classes (1939): 3615.6, 3615.7, 3615.8, 3615.9

United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from--			
			All countries	UNITED KINGDOM	France	Belgium
Quantity (pounds)						
1937 ---	1,384,965	Not avail- able <u>1/</u>	14,815	9,147	2,020	2,842
1938 ---	n.a.		11,190	4,504	2,584	3,096
1939 ---	434,408		7,573	5,035	1,973	333
1943 ---	n.a.		307	246	-	-
Value (dollars)						
1937 ---	1,711,470	Not avail- able <u>1/</u>	44,374	22,596	7,529	11,395
1938 ---	n.a.		35,243	10,593	7,623	12,486
1939 ---	755,220		17,380	11,212	4,228	1,573
1943 ---	n.a.		1,298	906	-	-

1/ Probably negligible.

Source: Official statistics of the U. S. Department of Commerce.

Item	United States tariff		Proposed negotiating country
	Act of 1930	1945 rate <u>1/</u>	
Par. 1119			
Tapestries and upholstery goods (not including pile fabrics), in the piece or otherwise, wholly or in chief value of wool: <u>2/</u>			
Valued not over 80¢ per pound-	50¢ lb. + 50% ad val.	40¢ lb. + 45% ad val.	UNITED KINGDOM
Valued over 80¢, not over \$1.25, per pound -----	50¢ lb. + 50% ad val.	50¢ lb. + 40% ad val.	do.
Valued over \$1.25 not over \$2, per pound -----	50¢ lb. + 55% ad val.	50¢ lb. + 40% ad val.	do.
Valued over \$2 per pound -----	50¢ lb. + 60% ad val.	50¢ lb. + 35% ad val.	

1/ Trade agreement with the United Kingdom, effective January 1939.

2/ Dutiable at rates imposed on woven fabrics under paragraph 1108 or 1109(a).

Since all imports weigh more than 4 ounces per square yard, rates under paragraph 1109(a) are shown.

Note.- The specific portion of the duty is intended to be compensatory for the duty on raw wool. The compound duty on total imports in 1939 was equivalent to 59 percent ad valorem or \$1.35 per pound. Most of the imports were valued over \$2 per pound.

Comment

"Upholstery goods" is a general term which has been judicially defined to include all interior textile decoration of an apartment, without differentiation between upholstery goods used for covering furniture and drapery goods such as hangings and curtains. The term "wool upholstery goods (except pile)," therefore, covers a wide variety of fabrics, plain or figured, suitable for draperies and table covers, or for covering furniture or automobile or railway-car seats.

WOOL UPHOLSTERY GOODS OF WOOL AND RELATED HAIR INCLUDING
TAPESTRIES (EXCEPT PILE FABRICS)-Continued

Tapestries and other Jacquard-woven upholstery goods are made in intricate designs, which require a weaver to each loom. Production is slow and the demand for any one pattern is usually small, necessitating the creation of many designs each year. These factors add greatly to the cost of manufacture.

Production in the United States is mainly confined to medium-grade upholstery fabrics and is largely dependent upon the activity of the domestic furniture industry. Most mills purchase the yarns they use. Upholstery fabrics may be in chief value of wool, cotton, rayon or other fiber but only those in chief value of wool are here considered.

Imports of flat-woven upholstery fabrics including tapestries here considered, are small in relation to domestic production and are largely confined to high-priced machine-made novelties and specialties and hand-woven fabrics. The average duty-paid value of imports in 1939 was \$3.31 per pound, as compared with an average value of \$1.74 per pound for wool upholstery and tapestry goods produced in the United States. Any change in the specific portion of the duty, which is intended to be compensatory for the duty on raw wool, should be correlated with changes in the raw wool duties.

Wool upholstery and tapestry goods (not including pile fabrics);
United States imports for consumption by value brackets,
with principal sources, 1939

Value bracket	Total value	Principal sources
Not over 80¢ per pound -----	\$77	China, \$50; France, \$27
Over 80¢, not over \$1.25, per pound-	1,903	France, \$1,010; UNITED KINGDOM, \$893
Over \$1.25, not over \$2, per pound -	4,421	UNITED KINGDOM, \$3,704; France, \$717
Over \$2 per pound -----	10,979	UNITED KINGDOM, \$6,615; France, \$2,474; Belgium, \$1,573

Source: Official statistics of the U. S. Department of Commerce.

Stat. import classes (1939): 3680.5 and 3680.8

United States production, exports, and imports, 1937-39 and 1943

Year	Production	Domestic exports	Imports for consumption from--				
			All countries	UNITED KINGDOM	France	Canada	Belgium
Value (dollars)							
1937 -	Not avail- able <u>1/</u>	Not avail- able	<u>2/</u> 295,120	158,107	9,141	35,201	8,053
1938 -			99,982	55,215	6,916	7,509	5,142
1939 -			96,573	58,733	9,024	5,944	5,891
1943 -			<u>3/</u> 410,735	56,970	10	344,487	-

- 1/ Probably greatly exceeds imports.
2/ Includes imports from Italy valued at \$36,692, relatively unimportant in later years.
3/ Includes \$340,862 free as an act of international courtesy, principally from Canada.
Source: Official statistics of the U. S. Department of Commerce.

<u>Item</u>	<u>United States tariff</u>		<u>Proposed</u> <u>negotiating</u> <u>country</u>
	<u>Act of</u> <u>1930</u>	<u>1945</u> <u>rate</u>	
	<u>Percent ad valorem</u>		
Par. 1120			
All manufactures, wholly or in chief value of wool, not specially provided for:			
Cloth samples measuring not more than 104 square inches in area, wholly or in chief value of wool, n.s.p.f. -----	50	<u>1/</u> 25	UNITED KINGDOM
Other -----	50	50	do.
<u>1/</u> Trade agreement with the United Kingdom, effective January 1939.			

Comment

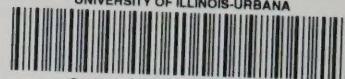
Wool cloth samples constitute the largest one item imported under this classification; other articles are furniture in chief value of wool, hand bags, powder puffs, and sewing sets.

This "basket" or "catch-all" paragraph provides no compensatory for the duty on raw wool. Wool samples are entirely noncompetitive whereas the other articles, although of minor importance as far as imports are concerned, do offer some competition in domestic markets.

Manufactures of wool, n.s.p.f.: United States imports for consumption, by kind, from principal sources, 1939

Kind	Total value	United Kingdom	France	Belgium	Canada	Italy
Manufactures of wool, n.s.p.f.-	\$64,777	\$28,650	\$8,458	\$5,891	\$4,989	\$1,326
Cloth samples -----	31,796	30,083	566	-	955	148

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